



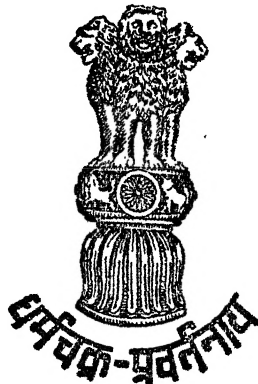
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# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

TUESDAY, 2nd MARCH, 1948  
Vol. II—No. II

## OFFICIAL REPORT



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# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Tuesday, 2nd March, 1948

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

## STARRED QUESTIONS AND ANSWERS

### (ORAL ANSWERS)

#### PAINT BLACK FOR BENGAL-NAGPUR RAILWAY WAGONS.

**546. \*Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Railways please state the name of the firm from whom paint black for wagons of the Bengal and Nagpur Railway is purchased?

(b) Is the purchase made by inviting open tenders or through the Store Department?

(c) Do Government while inviting quotations give opportunity to manufacturers of paint in India to submit tenders?

(d) Is such paint manufactured in India?

(e) If so, which are those firms?

(f) Have they submitted tenders or made any offer for supply of the same?

(g) What is the value of this paint black consumed every year by Railways?

(h) With whom is the latest order for paint placed and was the price the lowest?

**The Honourable Dr. John Matthai:** (a) Purchases of black paint in the year 1946-47 have been made from Messrs. Murarka Paint and Varnish Works Ltd., Calcutta, and Messrs. East India Paint and Chemical Works Ltd., Calcutta. The 1948 demand is still under consideration.

(b) Black paint is being purchased through the agency of the Director-General, Ministry of Industry and Supply who call for tenders.

(c) Yes.

(d) Yes.

(e) Messrs. Murarka Paint and Varnish Works Ltd., Messrs. East India Paint and Chemical Works Ltd., and Messrs. Shankar Paint and Oil Mills Ltd., all of Calcutta.

(f) Yes.

(g) 1946—Rs. 3,42,563 (from middle of September).

1947—Rs. 3,94,297 (approximately).

1948—Rs. 7,00,000 (approximately).

(h) Messrs. Murarka Paint and Varnish Works Ltd., and Messrs. East India Paint and Chemical Works Ltd., both of Calcutta.

The price quoted by these firms was not the lowest.

**Mr. R. K. Sidhva:** May I know, Sir, who was the lowest tenderer and why his tender was not accepted?

**The Honourable Dr. John Matthai:** That question must be addressed to the Minister for Industry and Supply.

#### RESUMPTION OF DELHI-AHMEDABAD MAIL TRAIN ON B.B. AND C. RAILWAY

**547. \*Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Railways please state whether it is a fact that the Delhi-Ahmedabad Mail train of the Bombay, Baroda and Central India Railway Line (Meter-gauge) has been stopped? If so, since when?

(b) Do Government intend to re-start this important Mail train? If so, when?

(c) What are the reasons for discontinuing this Mail train?



**The Honourable Dr. John Matthai:** (a) and (b). The running of the B.B. and C.I. Delhi-Ahmedabad Meter Gauge mail train was suspended with effect from 20th September, 1947. The running of this train was resumed with effect from 25th December, 1947, from Ahmedabad to Delhi, and from 26th December 1947 from Delhi to Ahmedabad.

(c) The train was suspended following civil disturbances in the Delhi area.

**Shri B. Shiva Rao:** Is it going by the same route as before?

**The Honourable Dr. John Matthai:** As far as I can say at present, yes.

#### IMPORT OF STEEL FROM FOREIGN COUNTRIES.

**548. \*Mr. R. K. Sidhva:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether Government have actually placed orders for the import of certain categories of steel from foreign countries as stated in their Press Note dated 27th January, 1948;

(b) if so, from which country, what kind of steel, what quantity and at what rates it is being imported and when it is due to arrive; and

(c) for which Ministry of the Government of India the said steel is intended and for what purposes?

**The Honourable Mr. C. H. Bhabha:** (a) and (b). Actual orders for 7,895 tons of steel have been placed on U.S.A. for Period 1/1948 (i.e., from 1st January—31st March 1948). A statement showing the categories of steel and the quantities indented for is laid on the table of the House. The rates and shipment period are not yet known. An order for 70,000 tons of rails at \$72 per ton with necessary accessories has also been placed on the Algemia Steel Corporation of Canada. The rails are being rolled from February '48 and delivery is expected to be completed by 15th November, 1948.

(c) All categories of steel, except rails, are meant for the use of Government as well as the public and will be distributed through Controlled Stockholders Associations in the various Provinces. Rails are for the use of Railways.

#### STATEMENT

*Showing the categories of steel and quantities indented for from U.S.A. for period 1/1948*

Serial No.	Category of Steel	Quantity indented for in tons
1	Bars Cold finish 1 inch and under	75
2	Concrete Reinforcement Bars	700
3	Hot Rolled Non-alloy 1 inch and under steel bars	400
4	Billed plates and other plates Hot and Cold Rolled Non-alloy	1,200
5	Galvanised Iron Sheets	200
6	Black Sheets	1,800
7	Iron Steel Strip Cold Rolled Non-alloy with less than 0.40% carbon	400
8	Iron Steel Strip Hot Rolled Non-alloy with less than 0.40% carbon	100
9	Angles (Strip) except Bulb angles, Channel and Beams 6" and under	800
10	Malleable Iron screwed pipe fittings 150 lbs. pressure and under	170
11	Welded Black Pipes	1,200
12	Welded Galvanised Pipes	200
13	Iron Wire (plain, stainless and Alloy)	450
14	Wire Nails and Miscellaneous Nails	200
Total		7,895

**Mr. R. K. Sidhva:** Were the quotations invited from various firms or from only one firm?

**The Honourable Mr. C. H. Bhabha:** There is a very acute shortage of steel, as Honourable Members know, and accordingly the purchase was made by the India Supply Mission in Washington at the best market rates.

**Mr. R. K. Sidhva:** Sir, my question was whether competitive rates were obtained.

**The Honourable Mr. C. H. Bhabha:** Yes, Sir.

**Mr. R. K. Sidhva:** May I know whether the prices are less than the rates for Indian steel?

**The Honourable Mr. C. H. Bhabha:** They are much higher than Indian prices.

**Seth Govinddas:** By what time is it expected that this steel would be brought into this country?

**The Honourable Mr. C. H. Bhabha:** I am not in a position to make any statement on that, but we are insisting that as early as possible this steel should be delivered to us.

**Shri H. V. Kamath:** Have Government made any attempt to obtain supply of steel from Czechoslovakia or Russia?

**The Honourable Mr. C. H. Bhabha:** All fields from where steel can be obtained have been explored.

**Mr. R. K. Sidhva:** Can I have an idea as to the increased price for this order that has been placed, as compared with our Indian produced steel?

**The Honourable Mr. C. H. Bhabha:** It is very difficult to give any accurate idea because it varies according to various types of steel.

#### REMOVAL OF RESTRICTIONS ON NUMBER OF GUESTS AND ENTERTAINMENTS IN DELHI.

**549. \*Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Food be pleased to state whether Government are aware that some provinces, including the United Provinces have lifted the restrictions on the number of guests at entertainments in view of Government's decontrol policy?

(b) If so, do Government propose to adopt the same procedure in Delhi?

**The Honourable Shri Jairamdas Doulatram:** (a) Yes.

(b) While the U. P. Government have withdrawn the restriction on the number of guests, such restrictions are still in force in most other Provinces and the whole question of policy regarding this and other austerity measures is under consideration. Government of India has to decide whether continuance of economy would not be a prudent policy until all parts of the country have better supplies than at present.

**Shri Deshbandhu Gupta:** Is the Honourable Minister aware that there is restriction even on fruits in Delhi, and that fruits really are not an article of food in that sense? Will the Honourable Minister please withdraw the restrictions on that?

**The Honourable Shri Jairamdas Doulatram:** That matter will be considered.

**Shri Rohini Kumar Chaudhuri:** Can we expect removal of these restrictions before 4th March?

Is the Honourable Minister aware that some Provinces like Assam never imposed any such restrictions throughout the last five years?

I am calling the next question.

## MEASURES FOR ENCOURAGEMENT OF COTTAGE INDUSTRIES IN INDIA.

**550. \*Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what steps are being taken to encourage cottage industries in India?

(b) Do Government propose to consider the advisability of sending a special Mission to Japan to specialise in cottage industries?

**The Honourable Mr. C. H. Bhabha:** (a) The development of cottage industries is primarily the responsibility of the Provincial State Governments. The matter was considered at the Industries Conference held in December, 1947 and recommendations made are under examination of Government at present.

(b) Government will consider the suggestion.

**Shri M. Ananthasayanam Ayyangar:** Is the Government aware that about five or six years ago, that is before the War, a special mission was sent to Japan to study the cottage industries there and to report? What has happened to that report? Is the Government aware of it?

**The Honourable Mr. C. H. Bhabha:** I do not know which particular report — there have been two or three reports on cottage industries, and I think on more than one occasion have missions gone to Japan.

**Shri T. A. Ramalingam Chettiar:** Will the Government publish those reports?

**The Honourable Mr. C. H. Bhabha:** They have been published.

**Shri Deshbandhu Gupta:** In view of the fact that at the moment several nations are trying to benefit from the dislocated industry in Japan, will Government consider the advisability of expediting decision in this matter so that we can also benefit from it?

**The Honourable Mr. C. H. Bhabha:** Yes, Government will take early steps in this matter.

**Shri M. Ananthasayanam Ayyangar:** May I know if there is any proposal to establish a Central Cottage Industries Board as was stated by the Honourable Minister for Industry and Supply?

**The Honourable Mr. C. H. Bhabha:** That was one of the Resolutions adopted at the Industries Conference, and that has been accepted by Government.

**Shri Biswanath Das:** Sir, in view of the statement of the Honourable Minister that two or three deputations have been to Japan, studied the conditions, and have submitted their reports, may I know what are their recommendations and what action has been taken by Government in this regard for the development of cottage industries and for linking them with bigger industries?

**The Honourable Mr. C. H. Bhabha:** As I said in my reply, Sir, the matter of cottage industries is primarily a Provincial State responsibility. However, Government is trying to accept the recommendation that was made at the last Industries Conference, and early action will be taken on that.

**Shri Ramnarayan Singh:** Sir, what are the Governmental activities in the Centrally Administered Areas in this regard?

**The Honourable Mr. C. H. Bhabha:** I should like to have notice of that question.

**Shri R. R. Diwakar:** Are Government aware of an organisation called *All-India Village Industries Association* working at Wardha on an all-India basis?

**The Honourable Mr. C. H. Bhabha:** Government are aware of that.

**Shri R. R. Diwakar:** If so, may I know if it is possible for Government to take advantage of the experiments that have been made by them?

**The Honourable Mr. C. H. Bhabha:** Government will certainly take advantage of their experience and knowledge.

**Shri R. R. Diwakar:** Have they so far taken any advantage?

**The Honourable Mr. C. H. Bhabha:** As I said, no particular action has been taken by the Government up till now.

**Begum Aizaz Rasul:** May I know what is the justification for sending such expensive missions outside India and spending public money if the Central Government does not intend giving effect to the recommendations of such Missions and say that it is a provincial subject?

**The Honourable Mr. C. H. Bhabha:** Well, such recommendations are communicated to the proper authorities and the various Provinces concerned have adopted some of the recommendations.

**Shri B. P. Jhunjhunwala:** Arising out of the fact that the Government have decided at the last December Conference to help cottage industries, may I know to what extent the Government of India has taken up responsibility upon itself for helping cottage industries?

**The Honourable Mr. C. H. Bhabha:** They have, as I said, accepted the recommendation about setting up a Board and through that Board they will function.

**Shri S. V. Krishnamurthy Rao:** May I know if there is any scheme of co-ordination between cottage industries and other larger industries?

**The Honourable Mr. C. H. Bhabha:** That was one of the recommendations made.

**Shri S. V. Krishnamurthy Rao:** What action has been taken?

**The Honourable Mr. C. H. Bhabha:** No action so far.

**Shrimati Ammu Swaminadhan:** In view of what the Honourable Minister has said, namely, that there have been other Missions sent to Japan and they have got reports from those Missions, may I know if there is any necessity to send another Mission? Would not they make use of the reports that have already been published in regard to the other Missions?

**Mr. Speaker:** The Honourable Member is arguing.

**Shri Mihir Lal Chattopadhyay:** At present there is some restriction about the movement of hand-made paper from one Province to another. In view of the fact that this restriction is creating a good deal of difficulty about the encouragement of cottage industries, will Government please withdraw that restriction?

**The Honourable Mr. C. H. Bhabha:** That restriction is not a Central Government restriction, as the Honourable Member must be aware. However, that Provincial Government will be advised to remove such restriction.

**Shri Biswanath Das:** In view of the reply given by the Honourable Minister in charge of the Department . . . . .

**The Honourable Mr. C. H. Bhabha:** I am not in-charge.

**Shri Biswanath Das:** Well, in charge at the moment. In view of the reply given that cottage industries is not a concern of the Central Government, may I know whether he is aware of the fact that the Central Government, before the independence and the National Ministry, were allotting money for the development of cottage industries and also undertaking the marketing of cottage industry products for the different Provinces in India?

**The Honourable Mr. C. H. Bhabha:** I am aware of the first thing, and that practice still continues, namely, grants are being given to the Provinces, but about marketing and other arrangements for procurement of raw materials etc. or assisting them with technical knowledge and other things, those are responsibilities which are being carried on by the Provinces themselves.

## GOVERNMENT PLANS IN RESPECT OF COTTAGE INDUSTRIES.

551. \*Seth Govinddas: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether Government have prepared any definite plan in respect of cottage industries; and

(b) if so, what are the industries which Government have planned and what help and protection Government propose to give them?

**The Honourable Mr. C. H. Bhabha:** (a) and (b). The development of Cottage Industries is primarily the responsibility of the Provincial State Governments. The matter was considered at the Industries Conference held in December 1947 and the recommendations of the Conference are embodied in Resolution No. IV (copy already placed on the table of the House). These recommendations are under the consideration of Government.

**Seth Govinddas:** With respect to clause (a) of the question, may I know whether the Government is preparing any all-India plan as far as cottage industries are concerned, and send that plan to the various Provinces so that it may be executed immediately?

**The Honourable Mr. C. H. Bhabha:** That suggestion will be borne in mind.

**Shri H. V. Kamath:** With a view to giving a fillip to cottage industries, will Government consider the advisability of following Mahatma Gandhi's advice and will Ministers of Government themselves live in cottages instead of in palaces?

**Mr. Speaker:** Order, order.

**Shri M. Ananthasayanam Ayyangar:** In view of the fact that Agriculture, Education, Health etc. are also Provincial subjects and for co-ordination purposes in respect of them Ministries have been established at the Centre, may I ask the Honourable Minister if Government will take steps to have a Centralised organisation for the purpose of co-ordinating the activities of cottage industries in the various Provinces?

**The Honourable Mr. C. H. Bhabha:** That also will be considered.

**Seth Govinddas:** With respect to clause (b) of the question, may I know what protection the Government proposes to give the cottage industry, in view of the fact that there will be a lot of competition between cottage and other big industries?

**The Honourable Mr. C. H. Bhabha:** As I said, Sir, the whole question is under the consideration of Government at the moment.

**Prof. Shibban Lal Saxena:** Is the Honourable Minister aware that it is now three months since the Industries Conference met and how long more will it take the Government to consider the question and put forward any plans for cottage industry development?

**The Honourable Mr. C. H. Bhabha:** If I may correct, it is not three months. It is two months; the Conference met at the end of December. All I can say is very early action will be taken.

**Shri S. Nijalingappa:** Is the Government making any purchases from these cottage industries for its own purposes?

**The Honourable Mr. C. H. Bhabha:** I should like to have notice of that question.

WORKING OF COMPLAINT BRANCH OF RAILWAY BOARD

552. \*Seth Govinddas: Will the Honourable Minister of Railways be pleased to lay a statement on the table of the House showing the result of the working of the Complaint Branch of the Railway Board since its inception?

The Honourable Dr. John Matthai: A statement furnishing the information desired by the Honourable Member is laid on the table of the House.

Statement

regarding the working of the Complaints Section of the Railway Board

Almost within a month from the date of assumption of office by the Interim Government, a Complaints Section was set up by the Railway Board for ensuring prompt and proper disposal of the complaints made by the public. The Complaints Section, which commenced functioning on 7th October 1946, was empowered to deal with all complaints other than those connected with compensation claims for loss or damage to goods in transit. Similar organisations were also set up in the major offices of railways for establishing liaison with the Complaints Section of the Railway Board and for expediting disposal of complaints concerning individual railway administrations.

The enormous volume of work handled by the Complaints Section can be seen from the fact that no less than 11,609 complaints were dealt with by railway administrations during the period October 1946 to December 1947. In the office of the Railway Board itself 2,341 complaints were received and dealt with by this Section. The complaints covered a variety of subjects such as lack of facilities at stations, inadequate train services, lack of punctuality in train running, irregularities in the booking of luggage and allotment of wagons, incivility towards the public, tracing of missing luggage and consignments, and irregular practices by booking and reservation staff. The Complaints Section had to be constantly on its toes to see that all complaints sent for investigation to the railways were properly investigated and that suitable action was taken on genuine complaints. The Complaints Section of the Railway Board has also to watch the progress of the cases and to see that they were dealt with to a satisfactory conclusion. Most of the cases have been satisfactorily closed. In a few cases, however, railways have not been able to pursue the complaints due to the refusal or failure of the complainants to furnish proof of the charges when confronted with enquiries.

Tabulated below is a statement showing the number of complaints received and dealt with by individual railway administrations:—

G. I. P. Railway	3,009
N. W. Railway (Upto 31-3-47)	1,026
E. P. Railway (1-4-47 to 31-12-47)	840
B. A. Railway (Upto 31-3-47)	1,166
Assam Railway (1-4-47 to 31-12-47)	675
E. I. Railway	2,982
B. N. Railway	1,905
M. & S. M. Railway	1,229
S. I. Railway	502
O. T. Railway	1,068
B. B. & C. I. Railway	2,207
Total	16,609

Haji Abdus Sattar Haji Ishaq Seth: On this question, Sir, may I raise a point of order?

Mr. Speaker: Yes.

Haji Abdus Sattar Haji Ishaq Seth: I wanted to point out that if the Honourable Member who put this question wanted only a statement to be made, then this should really have gone to the unstarred list and not to the starred list. As it is, the Honourable Member asked nothing more when the Statement was made.

Mr. Speaker: A similar question was raised. I believe, in the session before last and I had, at that time, requested members to see that they do not put every question as a starred question. Somebody had then suggested that the Chair should have the power of disallowing any question as a starred one and placing it as an unstarred one, but I declined to have the power because I do not know with what motives members are putting questions. I can only appeal to members not to mark as starred ones questions of this type so far as they can.

## POLICIES UNDER LIFE INSURANCE SCHEME

**553. \*R. B. Lala Raj Kanwar:** Will the Honourable Minister of Communications be pleased to state:

(a) how many effective policies under the Postal Life Insurance Scheme exist as on 1st January, 1948;

(b) what the total amount of such policies is;

(c) what the total amount under the Postal Insurance Fund is;

(d) whether any profits have accrued to this fund during the quinquennium 1942-47;

(e) if the reply to part (d) above be in the affirmative, when it is proposed to assess and work out the profits and to issue bonus certificates to the policy-holders; and

(f) whether it is proposed to extend the benefits of the Postal Life Insurance Scheme to members of the public?

**The Honourable Mr. Rafi Ahmed Kidwai:** (a) to (c). Figures as on 1st January, 1948, are not available; approximate figures as on 30th September, 1947 are as follows:

(a) 92,101

(b) Rs. 18,94,01,000

(c) Rs. 11,25,28,000 (exclusive of interest).

(d) Not possible to say before the valuation of the Post Office Insurance Fund is over

(e) It is proposed to conduct the valuation of the Fund as on 15th August 1947 as soon as the required data for such valuation is available and, if sufficient surplus is disclosed, to declare bonus to policy holders. The bonus is payable with the sum assured as an addition to it.

(f) No, as Government's policy hitherto has been that the postal insurance scheme should not compete with private insurance companies.

**Shri M. Ananthasayanam Ayyangar:** May I ask the Honourable Minister why it has not been possible for him to ascertain the profits and why we should wait until the Insurance Fund comes under investigation?

**The Honourable Mr. Rafi Ahmed Kidwai:** I think the Honourable Member is aware that since August last year there have been disturbances all over the country and people have been shifting from one place to another. Therefore, it has taken time to collect all the information. I understand that the information for the policies of persons who are now in Pakistan is being collected by the Pakistan Government, and when all this is available, the valuation will be made.

## RESUMPTION OF THROUGH TRAINS BETWEEN DELHI AND LAHORE

**554. \*Haji Abdus Sattar Haji Ishaq Seth:** Will the Honourable Minister of Railways be pleased to state:

(a) whether there is any proposal to resume through running of trains from Delhi to Lahore and if so, when this will be started; and

(b) if there is no such proposal, what the reasons for not resuming this traffic are?

**The Honourable Dr. John Matthai:** (a) No proposal is under consideration at present to resume through running of passenger trains from Delhi to Lahore.

(b) The passenger traffic offering at present does not justify the running of any through passenger train from Delhi to Lahore.

**Haji Abdus Sattar Haji Ishaq Seth:** With reference to reply to part (b) when there is no service running, may I know what is the source of information for the Honourable Minister to say that there is not enough passenger traffic?

**The Honourable Dr. John Matthai:** Well, we can only make estimates regarding that and such estimates as we have been able to make us think that the quantum of traffic offering at present does not justify it. As a matter of fact, the Honourable Member knows that at present we are running four trains daily between Delhi and Amritsar and it is possible by the course of traffic along those trains to get a rough idea as to what the traffic towards Lahore might be.

**Haji Abdus Sattar Haji Ishaq Seth:** With reference to that may it not be that because the train is not running to Lahore that the traffic that is offering to Amritsar is so much less.

**Mr. Speaker:** Order, order. It becomes an argument:

**Haji Abdus Sattar Haji Ishaq Seth:** I am sorry.

**Shri H. V. Kamath:** If trains were not running to Lahore, why did the time-tables show that they did?

**Mr. Speaker:** Order, order.

**Mr. R. K. Sidhva:** May I know, Sir, whether Government will make an experiment to run the train from Delhi to Lahore?

**The Honourable Dr. John Matthai:** I should like to have notice of that question.

**Shri Khurshed Lal:** Has any request been received from the Pakistan Government for any train?

**The Honourable Dr. John Matthai:** I should like to have notice.

**Haji Abdus Sattar Haji Ishaq Seth:** May I ask if the Honourable Minister has seen statements made in newspapers both in India and Pakistan that this service should be started? I saw one such last week.

**The Honourable Dr. John Matthai:** All I can say in reply to the Honourable Member's question is that we shall keep a careful watch over the situation, and as soon as we think that the traffic offered is sufficient, we shall certainly consider it.

**Shri M. Ananthasayanam Ayyangar:** Is it possible under the changed circumstances when Lahore belongs to a different Dominion, one-sided action can be taken by this Government without the co-operation of the other Government?

**The Honourable Dr. John Matthai:** It necessarily implies that there would be co-operation from the other side.

**Shri M. Ananthasayanam Ayyangar:** Has there been so far any request from the people of Lahore or West Pakistan Government?

**The Honourable Dr. John Matthai:** I would like to have notice of that question.

#### PROPOSED NEW WORKS ON BENGAL NAGPUR RAILWAY IN ORISSA

**555. \*Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Railways be pleased to state when a double line will be constructed on that section of the Bengal Nagpur Railway which runs through Orissa?

(b) When will the Railway Bridges over the Kathjori and the Mahanadi and also several other bridges in the Cuttack District have their side railings completed?

(c) When will the road bridge over the Kathjori river be completed?

(d) What are the new works proposed to be undertaken on the Bengal Nagpur Railway in Orissa?

**The Honourable Dr. John Matthai:** (a) There is no proposal for doubling any section of the B. N. Railway line running through Orissa in the near future.

(b) Railway Bridges are not meant to be used by members of the public and there is no proposal for any railings to be put on these bridges.



(c) The target date for completion is September, 1949.

(d) If the Honourable Member will specify the category of works for which he wants the information, necessary data will be collected and furnished to him as far as possible.

**Shri Lakshminarayan Sahu:** Is it not a fact, Sir, so far for want of a double line so many trains are running late and also many accidents take place—how to avoid these accidents and late running of trains?

**The Honourable Dr. John Matthai:** The policy that we are following at present is that at the heaviest points of congestion, we are trying to double the lines, but we do not consider that this particular section is so important.

**Shri Lakshminarayan Sahu:** Is it not a fact, Sir, that though there are no side railings and though people are not expected to walk over the bridges, they always walk over the bridges and no action is taken to prevent them from doing so?

**The Honourable Dr. John Matthai:** They ought not to.

**Shri Lakshminarayan Sahu:** But accidents take place and how to avoid the accidents?

**The Honourable Dr. John Matthai:** As a matter of fact people who use railway bridges are really trespassers and action should be taken against them.

**Prof. N. G. Ranga:** That may be true as a matter of law. In view of the fact that on some bridges these foot-paths are provided, what is it that prevents Government from providing similar foot-paths on almost all these big bridges which are put over these big rivers.

**The Honourable Dr. John Matthai:** Foot railings are provided along railway bridges, as the Honourable Member knows in consultation and co-operation with the Provincial Government. It is a matter for the Provincial Government to initiate.

**Prof. N. G. Ranga:** Are we to understand that the Government of India are not going to take any initiative at all?

**Mr. Speaker:** Order, order. The Honourable Member is now arguing this question.

**Shri Biswanath Das:** With regard to part (d) of the reply, may I know if the Honourable Minister will let us know privately, if he has not got the information in his hand at the moment, as to what lines are going to be constructed immediately in the course of the year as also the lines that are under survey in the B. N. Railway.

**The Honourable Dr. John Matthai:** As regards the lines which are already under construction, the Honourable Member will find a complete list in the explanatory memorandum that I circulated.

**Shri Biswanath Das:** I must inform him that that is not clear and we could not make anything out of it.

**Mr. Speaker:** He will put a question in that case.

#### REPLACEMENT OF RUPSA BARIPADA RAILWAY LINE BY BROAD GAUGE LINE

556. **\*Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Railways be pleased to state whether there was a proposal in the Post-War Development Scheme to change the Railway line from Rupsa to Baripada into a broad gauge line?

(b) If so, what are the details of the examination of this proposal?

**The Honourable Dr. John Matthai:** (a) The conversion of the Narrow Gauge line from Rupsa to Baripada into Broad Gauge forms part of the larger project of connecting Rupsa and Rairangpur by a Broad Gauge line.

(b) Traffic and Engineering Surveys of the project are in progress, and the reports are awaited.

**Shri Lakshminarayan Sahu:** Will the Honourable Minister please state when it is likely that this Engineering surveys of the proposed project can be completed.

**The Honourable Dr. John Matthai:** It is dependent on the reports which I am waiting to see.

CONSTRUCTION OF AN OVER BRIDGE AT CUTTACK RAILWAY STATION

**557. \*Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Railways be pleased to state how many over-bridges there are on that section of the Bengal Nagpur Railway which runs through the Province of Orissa?

(b) Are Government aware that for want of overbridges at Cuttack Railway Crossing, many accidents are caused and the traffic on the road at the crossing is also held up?

(c) Do Government propose to construct an overbridge at Cuttack Railway Station?

**The Honourable Dr. John Matthai:** (a) There is no *road overbridge* on the B. N. Railway East Coast line, passing through the Province of Orissa, but there are *foot overbridges* at Rupsa, Balasore and Khurda Road stations for the convenience of passengers.

(b) Some detention to road traffic is inevitable, but there is no record of any accident at the south end level crossing of the Cuttack station. A proposal for constructing a road overbridge at this level crossing is now under consideration.

(c) In connection with the remodelling of Cuttack Yard which is under progress, a foot-overbridge will be erected at the station connecting the main platform with the new island platform for the convenience of passengers.

**Shri Lakshminarayan Sahu:** May I ask when will this overbridge at Cuttack be completed?

**The Honourable Dr. John Matthai:** In a fairly short time. I am not able to give a definite answer.

**Shri Lakshminarayan Sahu:** Will it take a year or less than a year?

**The Honourable Dr. John Matthai:** I should not like to be definite on that point.

JUTE FROM PURNEA DISTRICT, BIHAR TO CALCUTTA

**558. \*Mr. Mohd. Tahir:** Will the Honourable Minister of Railways be pleased to state the amount of jute transported through railways from the District of Purnea in Bihar to Calcutta during the periods from September, 1946 to January, 1947 and from September, 1947 to January, 1948?

**The Honourable Dr. John Matthai:** The amount of jute transported by rail from District Purnea in Bihar to Calcutta during the periods September 1946 to January 1947 and September 1947 to January 1948 was as follows:

September 1946 to January 1947—649,971 maunds.

September 1947 to January 1948—669,755 maunds.

TELEPHONE CONNECTIONS IN CALCUTTA

**559. \*Shri Arun Chandra Guha:** (a) Will the Honourable Minister of Communications be pleased to state what was the number of telephone subscribers in Calcutta in the year 1935 and what it is at present?

(b) How many applications are now pending for telephone connections in Calcutta?

- (c) How many of these applications can be granted?  
 (d) When is the automatic system going to be introduced in Calcutta?  
 (e) What is the reason for the delay in introducing the automatic system there?

**The Honourable Mr. Rafi Ahmed Kidwai:** (a) 12,760 in 1935 and 20,398 at present.

(b) 17,362.

(c) Upto a maximum of 207. The Department has taken steps to install new Boards and hopes to give 500 telephones after April 1948, and progressively upto 4,000 in a year's time.

(d) When a factory, which it is proposed to set up in India, goes into production.

(e) Setting up of a new factory—which involves considerable negotiations with countries abroad—will necessarily take time.

**Shri Arun Chandra Guha:** May I know how many telephones can be granted immediately—I mean new connections?

**The Honourable Mr. Rafi Ahmed Kidwai:** As I said there are available at present 207 new connections.

**Shri B. Shiva Rao:** May I ask whether in view of the very small number of telephones in an important city like Calcutta the Honourable Minister will consider the question of introducing public booths in all the big cities of India?

**The Honourable Mr. Rafi Ahmed Kidwai:** There are such public booths in Calcutta, but I will consider their extension.

**Shri Lakshminarayan Sahu:** Does the Honourable Minister know that there is a great demand for telephone connections at Cuttack?

**Mr. Speaker:** That will be beyond the scope of the present question.

#### LEASE FOR MINING OF MATERIAL FOR SHAHABAD CEMENT FACTORY

**560. \*Shri Damodar Swarup Seth:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether Government are aware that the lease for mining of material for the Shahabad Cement Factory is due to lapse in a year or two; and

(b) if the answer to part (a) above be in the affirmative, whether Government propose to take up the question of the renewal of the lease for another 30 years with the Nizam's Government?

**The Honourable Mr. C. H. Bhabha:** (a) It is understood that the lease expires in 1955.

(b) Does not arise at present.

#### FACTORY FOR MANUFACTURE OF SULPHATE OF AMMONIA

**561. \*Shri B. P. Jhunjhunwala:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the circumstances that led to the idea of starting a factory in India for the manufacture of Sulphate of Ammonia and when it was conceived by the previous Government? When were the data for the same collected and made ready?

(b) What was the estimated capital to be invested and how much of this was on (i) machinery; (ii) setting up of the machinery, and (iii) buildings for the same?

(c) What was the estimated cost of production per ton and how did it compare with foreign imported manure then?

(d) When was the scheme for starting the factory finally sanctioned by Government and when was the work taken in hand?

(e) What is the total amount spent till now on this? How much of this was spent on actual cost of machinery and on actual cost of buildings?

(f) At what stage is the factory at present, and when will it start functioning?

**The Honourable Mr. C. H. Bhabha:** (a) India requires imported artificial fertilizers in considerable quantities because its indigenous production falls much short of its needs. Owing, however, to the world shortage of artificial fertilizers, particularly Nitrogenous fertilizers and also owing to the shortage of shipping space, it became necessary to consider the question of increasing the indigenous production. A further reason for starting a fertiliser factory was that it would lay the foundation of a heavy chemical industry in India. Also, in July 1943, the Foodgrains Policy Committee advised that India would, in the future, require at least 2 million tons of artificial fertilizers per annum and recommended that, as a first step, immediate action should be taken to establish production of nitrogenous fertilizers to the tune of 350,000 tons per annum.

The idea of starting a sulphate of ammonia factory at Sindri was conceived in 1944.

The data for the Fertilizer Factory at Sindri were collected and made ready during the period June to November, 1944.

(b) The capital to be invested was originally estimated at Rs. 10.79 crores. Details are as under:

(i) Machinery, Rs. 659.0 lakhs.

(ii) Setting up of machinery, Rs. 229.5 lakhs.

(iii) Buildings, Rs. 190.5 lakhs.

(c) The estimated cost of production of ammonium sulphate at Sindri was calculated at Rs. 118.9 per ton as compared with Rs. 236 to Rs. 250 per ton for imported manure.

(d) The scheme for starting the factory was finally sanctioned in September 1945. The work in connection with the planning of the factory was taken in hand in February 1945.

(e) The total amount spent up till now is Rs. 2,64,18,519 out of which payments of Rs. 52.35 lakhs and Rs. 27.6 lakhs have been made on account of machinery and buildings respectively.

(f) Attention of the Honourable Member is invited to the statement showing progress made in the factory, which was placed on the table of the House on the 8th December, 1947, in reply to Constituent Assembly (Legislative) starred question No. 664 by Shri T. T. Krishnamachari and Shri K. Santhanam.

The forecast for pilot production is the end of 1949 and for full production end of 1950.

**Shri B. P. Jhunjhunwala:** Is it not a fact, Sir, that manure worth twice the value of the plant that is going to be erected has been imported since then?

**The Honourable Mr. C. H. Bhabha:** I should like to have notice of that question.

**Shri B. P. Jhunjhunwala:** Is it not a fact, Sir, that in 1943 some private firms applied to the Government of India for permission to start factories within two years?

**The Honourable Mr. C. H. Bhabha:** I have no idea of the particular firms to which the Honourable Member is referring, but there are private factories in existence in this country.

**Shri B. Das:** Has Government revised their original estimates and also their original cost of production, taking into consideration the fact that prices of capital goods and raw materials and also wages of labour have gone up since 1945?

**The Honourable Mr. C. H. Bhabha:** No revised estimates have been prepared but the points mentioned by the Honourable Member will be borne in mind.

**Shri B. Das:** Is it not high time, Sir, that the experts at the disposal of the Honourable Minister should revise the estimates and ascertain what will now be the cost of production per ton owing to all these increases.

**The Honourable Mr. C. H. Bhabha:** That will be done, Sir.

**Shri H. V. Kamath:** Is the factory manned entirely by Indians from top to bottom?

**The Honourable Mr. C. H. Bhabha:** That is our expectation when the factory goes into production. The construction of the factory is not yet complete; so, the question of manning does not arise.

**COST OF MANUFACTURED AND IMPORTED SULPHATE OF AMMONIA AND OTHER MANURES**

**562. \*Shri B. P. Jhunjhunwala:** Will the Honourable Minister of Agriculture be pleased to state the quantity and cost of chemical manure, especially Sulphate of Ammonia imported and its price per ton after the idea of starting a factory for manufacturing Sulphate of Ammonia in India was conceived and after the scheme for starting the same was finally sanctioned?

**The Honourable Shri Jairamdas Doulatram:** The idea of starting a Sulphate of Ammonia Factory in India was conceived in 1944. The project was sanctioned in September 1945. A statement showing the quantities of Sulphate of Ammonia and other chemical fertilizers imported since 1944-45 and its value is placed on the table of the House. Another statement showing the purchase price per ton of the imported fertilisers from time to time during this period is also laid on the table of the House.

*Statement  
showing the quantity and value of chemical fertilisers imported since the year 1944-45.  
Sulphate of Ammonia*

Year	Source	Quantity Tons	Total Tons	Value Rs.	Total Value Rs.
1944-45 (July 1944 to June 1945)	U.K.	53,000		1,34,24,900	
	Canada	17,000		36,74,550	
			70,000		1,70,99,450
1945-46 (July 1945 to June 1946)	U. K.	1,46,000		3,06,60,000	
	Canada	11,000		22,86,900	
			1,57,000		3,29,46,900
1946-47 (July 1946 to June 1947)	U.K.	1,34,000		3,39,42,200	
	Canada	13,000		27,24,150	
	Belgium	9,000		24,00,000	
	Russia	15,939		16,25,100	
			1,61,939		4,06,91,450

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Year	Source	Quantity Tons	Total Tons	Value Rs.	Total Value Rs.
*1947-48 (July 1947 to June 1948)	U.K.	59,600		1,50,96,690	
	Belgium	14,000		37,33,330	
	U. S. A.	17,500		53,35,313	
	Canada	1,740		3,03,552	
	Russia	15,000		45,57,187	
			1,07,840		2,90,86,062
Grand Total			4,96,779		11,93,23,862

\*Imports to be completed by the end of June 1948.

*Ammonium Phosphate.*

1944-45 (July 1944 to June 1945)	Canada	14,000		37,42,200	
1945-46 (July 1945 to June 1946)	Canada	6,634		16,63,807	
1946-47 (July 1946 to June 1947)	Canada	10,150		25,45,620	
1947-48 (July 1947 to June 1948)	(a) Canada	4,464		11,63,765	
	(b) U. S. A.	2,790		8,18,230	
	(c) Belgium	2,000	(Di-ammo- nium Phosphate)	12,40,000	
Grand Total			40,038		1,11,73,622

*Ammonium Nitrate*

1945-46 (July 1945 to June 1946)	Canada	2,000		83,198	
1946-47 (July 1946 to June 1947)	Canada	6,035		16,83,785	
1947-48 (July 1947 to June 1948)	Canada	7,950		24,41,691	
Grand Total			14,185		42,08,654

*Statement*

showing purchase price per ton of imported chemical fertiliser operating since 1944-45.  
Price of British Sulphate of Ammonia.

		£	s.	d.	
July 1944 to June 1945	.	19	0	0	Per ton C & F Indian Ports.
July 1945 to June 1946	.	(a) 15	13	0	do.
	.	(b) 15	7	0	(July to August 1945).
	.	(c) 15	17	0	(Sept. to Dec. 1945).
	.				(Jan. to June 1945).
July 1946 to June 1947	.	(a) 17	0	0	(July to December 1946).
	.	(b) 17	15	0	(Jan. to June 1947).
July 1947 to June 1948	.	(a) 18	10	0	(July to August 1947).
	.	(b) 19	0	0	(September to Dec. 1947).
	.	(c) 19	10	0	(January 1948 onwards).

*Canadian Sulphate of Ammonia*

July 1944 to June 1945	.	.	.	\$ 65.50	(Canadian Dollars) per ton
July 1945 to June 1946	.	.	.	\$ 63.00	C. & F. Indian Ports.
July 1946 to June 1947	.	.	.	\$ 63.50	do.
July 1947 to June 1948	.	.	.	\$ 63.50	do.

*U. S. A.*

July 1947 to June 1948	.	.	.	\$ 92.39	(Dollars) per ton C & F. India n Ports.
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*Russian*

July 1946 to June 1947	.	.	.	Rs. 273/10	Per ton C. & F. Indian Ports.
July 1947 to June 1948	.	.	.	Rs. 308/13	Per ton C. & F. Indian Ports.

<i>Canadian Ammonium Phosphate</i>			
July 1944 to June 1945	.	.	\$ 81.0
July 1945 to June 1946	.	.	\$ 76.0
July 1946 to June 1947	.	.	\$ 76.0
July 1947 to June 1948	.	.	\$ 79.0
<i>U. S. A.</i>			
July 1947 to June 1948	.	.	\$ 88.8
<i>Belgium</i>			
July 1947 to June 1948	.	.	£ 46.10
<i>Canadian Ammonium Nitrate.</i>			
July 1945 to June 1946	.	.	\$ 126.5
July 1946 to June 1947	.	.	\$ 83.71
July 1947 to June 1948	.	.	\$ 93.0

(Canadian Dollars) per ton C. &amp; F. Indian Ports.

do.

do.

do.

(U.S.A. Dollars) per ton C. &amp; F. Indian Ports.

Per ton C. &amp; F. Indian Ports.

(Canadian Dollars) per ton C. &amp; F. Indian Ports.

do.

do.

**Shri B. P. Jhunjhunwala:** Does the imported manure meet the demand of the country at present?

**The Honourable Shri Jairamdas Doulatram:** I suppose not.

**Seth Govinddas:** Do Government propose to start some factories in different provinces and help the Provincial Governments in this respect?

**The Honourable Shri Jairamdas Doulatram:** We have not yet been able to complete one factory; the question of starting other factories will naturally follow later on.

**Seth Govinddas:** Has any Provincial Government written to the Government of India that it wants to start a fertiliser factory in its own province, and if so, what help are Government going to give to that province?

**The Honourable Shri Jairamdas Doulatram:** Government will consider all such applications as received.

**Shri M. Ananthasayanam Ayyangar:** What steps have Government taken to give financial assistance to those factories which have been started by private agencies for the manufacture of fertilisers?

**The Honourable Shri Jairamdas Doulatram:** If any such requests are received Government will consider them.

**Prof. N. G. Ranga:** Are Government making experiments as to the advisability or otherwise of using Sulphate of Ammonia for fertilising purposes? Is it not a fact that Government themselves have reiterated that they would like to start this factory and see how the product of it is utilised before they launch on the construction of further factories?

**The Honourable Shri Jairamdas Doulatram:** That is so.

**Shri S. V. Krishnamurthy Rao:** Is it not a fact, Sir, that the imported manure is selling at Rs. 100 per ton less than the cost of manure produced in India?

**The Honourable Shri Jairamdas Doulatram:** I will require notice of that question.

**Mr. R. K. Sidhva:** Is it not a fact that some of the private companies have applied for financial assistance for starting fertiliser plants?

**The Honourable Shri Jairamdas Doulatram:** I would require notice of that question.

## FIXATION OF RATES OF RAILWAY COOLIES

563. \*R. B. Lala Raj Kanwar: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that coolies at most of the railway stations demand exorbitant amounts by way of portage and refuse to carry the luggage unless the same is paid?

(b) If so, do Government propose to fix the rates of coolies and also issue orders for their implementation?

**The Honourable Dr. John Matthai:** (a) Government are aware that there have been complaints to this effect.

(b) Portage charges for carrying luggage of passengers are fixed and porters are liable to have their licences withdrawn if they demand more than the authorised charge. The Honourable Member's question will be brought to the notice of Railway Administrations, who will be asked to exercise closer supervision in the matter of portage charges.

**Seth Govinddas:** Are Government aware, Sir, that in many stations where previously there were no middlemen, they have recently come into existence, particularly at stations like Jubbulpore?

**The Honourable Dr. John Matthai:** Is the Honourable Member referring to the system of contractors?

**Seth Govinddas:** Yes, Sir.

**The Honourable Dr. John Matthai:** Well, our idea is to abolish that system gradually.

**Mr. B. Paker Sahib Bahadur:** May I know, Sir, whether Government will consider the desirability of stationing some member of their staff at the time of the arrival and departure of trains, with a view to see that the porters do not exhibit a tyrannical attitude towards the passengers?

**The Honourable Dr. John Matthai:** That is one of the purposes for which we are considering the appointment of passenger guides at important stations.

**Prof. Shibban Lal Saksena:** May I know, Sir, whether there are any stations where the system of contractors have been abolished and coolies made direct employees of the railways.

**The Honourable Dr. John Matthai:** There have been such cases, quite recently.

**Seth Govinddas:** Are Government aware that recently there has been a contractor appointed in Jubbulpore where there was none so far? Will Government see that the contract system is abolished in Jubbulpore and coolies are directly employed by them?

**The Honourable Dr. John Matthai:** I will have the matter looked into.

**Shri Lakshminarayan Sahu:** Are Government aware that at Vazagapatam station generally when the train comes coolies are not available and the passengers have to bring down their things, the coolies only coming later and that also without badges?

**Mr. Speaker:** Order, order; the question hour cannot be utilised for giving information to Government.

**Shri B. Shiva Rao:** Will Government consider the desirability of supplying each of these porters with a hand cart so as to prevent them from carrying heavy loads on their heads?

**The Honourable Dr. John Matthai:** That is a useful suggestion.

**Prof. Shibban Lal Saksena:** May I know on which railways the contract system has been abolished and coolies are directly employed by the railways?



**The Honourable Dr. John Matthai:** Since Government decided to accept this policy of gradually abolishing contractors' labour, I think on the G. I. P. they have made a beginning at certain important stations.

#### RE-INTRODUCTION OF RETURN TICKETS SYSTEM ON RAILWAYS.

564. **\*R. B. Lala Raj Kanwar:** Will the Honourable Minister of Railways be pleased to state:

(a) whether the system of return tickets is still in force on certain railways in India and if so on which railways; and

(b) whether Government propose to consider the advisability of introducing or reviving this system on all the railways?

**The Honourable Dr. John Matthai:** (a) Return Tickets at concessional fares are not in force. A number of Railways, viz. B.B. and C.I., B.N., G.I.P., M. and S.M., O.T. and S.I. Railways, however, issue Return Tickets at two single journey fares over a few small sections.

(b) In view of the present transport conditions, it is not proposed to take up consideration of the revival of Return Tickets at concessional fares.

#### CLASSES OF RAILWAY ACCOMMODATION IN INDIA AND IN OTHER COUNTRIES

565. **\*R. B. Lala Raj Kanwar:** (a) Will the Honourable Minister of Railways be pleased to state how many classes of accommodation are provided on Railways in (i) the United Kingdom, (ii) the United States of America, (iii) Canada, (iv) Australia, and (v) Russia?

(b) What is the rate per mile of the lowest class passenger fare in each of the above countries and how does it compare with the rate of third class ordinary passenger fare per mile in India?

(c) Do Government propose to consider the desirability of having only two classes of accommodation on the Indian Railways, viz., the Upper Class and the Lower Class?

**The Honourable Dr. John Matthai:** (a) On the information available to Government, the following are the classes of accommodation provided on railways in various Countries:

*United Kingdom.*—First and Third Classes.

*United States of America.*—First and Coach Classes, the latter including observation and lounge cars and Pullman Cars.

*Canada.*—First and Coach Classes.

*Australia.*—First and Second Classes.

*Russia.*—First, Second and Third Classes.

(b) The rate per mile for the lowest class of rail passenger travel in each of these countries according to our information is as follows:—

*United Kingdom.*—26.17 pies.

*United States of America.*—16.03 pies.

*Canada.*—22.11 pies.

*Australia.*—10.88 pies (Western Australia), 10.35 pies (Commonwealth), 8.35 pies (Queensland).

*Russia.*—22 pies.

As my Honourable friend is no doubt aware, Indian Government Railways charge third class travellers 5 pies a mile by mail trains and 4 pies by ordinary.

(c) The proposal which Government have under consideration is to retain three classes of travel instead of the present four classes, air-conditioned travel being provided in addition on important trains. The future classes of travel will be so arranged as to provide a somewhat higher standard of comfort than the present second, Inter and III Classes respectively. On small branch lines, there will be only two classes.

**Seth Govinddas:** Is it not a fact that Government have decided to abolish the First Class and made that announcement long ago? If so, what is the difficulty in abolishing it immediately?

**The Honourable Dr. John Matthai:** As a matter of fact we are going to make an immediate beginning. I made a reference to it during the course of the budget discussion. Hereafter when it comes to a question of overhauling First Class coaches we are going to have each coach converted into a Second or upper Class coach.

**Prof. N. G. Ranga:** Is it not a fact that the sitting accommodation and the comforts provided in England for Third class are nearly as good as, if not better than, similar accommodation provided in the Second Class here, except for sleeping berths?

**The Honourable Dr. John Matthai:** I can speak only from experience of many years ago; I do not know what conditions are today.

**Prof. N. G. Ranga:** What is it?

**The Honourable Dr. John Matthai:** I do not know.

**Mr. R. K. Sidhva:** What is the type of Third Class compartments in U.K. and Russia as compared with the Third Class compartments here?

**The Honourable Dr. John Matthai:** I must refer the Honourable Member to the countries concerned.

**Shri M. Ananthasayanam Ayyangar:** Is it not a fact that the per capita income in England and in all these other countries where higher rates are charged are 10 or 12 times higher than the per capita income in this country?

**Mr. Speaker:** That is argumentative and need not be answered.

**Shri H. V. Kamath:** Will Government take steps to obtain information about the amenities and conveniences available to the lowest class passengers in all those countries?

**The Honourable Dr. John Matthai:** What Government are trying to do is to improve the amenities which are at present provided on our railways.

#### SURVEY OF RAW MATERIALS IN RESPECT OF CELLULOSE

563. **\*Shri V. C. Kesava Rao:** Will the Honourable Minister of Agriculture be pleased to state:

(a) whether any survey for raw material in respect of Cellulose has been carried out in India; and

(b) if not, whether Government propose to do so and if so when?

**The Honourable Shri Jairamdas Doulatram:** (a) and (b). A preliminary survey of the cellulose-bearing raw materials of the country was carried out in 1944, and the results were published in the June, 1944 issue of the Journal† of Scientific and Industrial Research (a copy of which is placed on the table).

†Not printed in these Debates. A copy has been placed in the Library of House.—  
Ed. of D.

In July 1946 the Provincial Governments and States were requested by the Government of India at the instance of the then Department of Industries and Supplies in pursuance of the recommendations of the Panels dealing with Paper and rayon and artificial Silk to undertake a comprehensive survey of the cellulose raw materials used in the Paper, Rayon and other Industries.

**Prof. N. G. Ranga:** What steps are being taken to increase the production of the raw material needed for cellulose production?

**The Honourable Shri Jairamdas Doulatram:** I shall require notice of that question.

#### USE OF HEMP, REEDS, COTTON WASTE AND BAGASSE IN PAPER INDUSTRY

**537. \*Shri V. C. Kesava Rao:** Will the Honourable Minister of Agriculture be pleased to state whether any research is being carried out at present to explore the possibilities of using hemp, reeds, cotton waste and bagasse in paper industry?

**The Honourable Shri Jairamdas Doulatram:** Hemp, reeds, cotton waste and bagasse are already being used by certain paper mills for the manufacture of paper.

Research work is in progress at the Forest Research Institute, Dehra Dun to convert cotton waste, bagasse and eta reeds by the soda and sulphite processes to pulp suitable for the manufacture of paper on conventional lines. That high grade paper can be manufactured from cotton waste is well known. In view of its other important uses the possibilities of hemp have not so far been investigated. The suitability of bagasse for boards has been examined, and a paper on the subject has been published by the Forest Research Institute. The use of bagasse in the Paper and Boards Industry is dependent on a steady supply of coal or other fuel to the sugar mills some of which are utilising bagasse as fuel.

**Prof. N. G. Ranga:** Are steps being taken to publish these papers in Hindi and other local languages?

**The Honourable Shri Jairamdas Doulatram:** Not so far, but Government will consider the suggestion.

**Shri S. V. Krishnamurthy Rao:** May I know if any researches have been made to utilise the betel-nut husk for manufacturing paper pulp?

**The Honourable Shri Jairamdas Doulatram:** Not that I am aware of.

**Pandit Lakshmi Kanta Maitra:** May I know what arrangement at present prevails for publicising the results of researches in this particular respect?

**The Honourable Shri Jairamdas Doulatram:** I shall require notice of that question.

**Shri Rohini Kumar Chaudhuri:** Is the Honourable Minister aware that the possession and cultivation of hemp plants is an offence and prohibited by law?

**The Honourable Shri Jairamdas Doulatram:** I am not aware of that.

#### PRODUCTION OF SABAI GRASS AND BAMBOO FOR USE IN PAPER INDUSTRY

**568. \*Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Agriculture be pleased to state the annual consumption of Sabai grass and Bamboo in paper industry?

(b) What are the efforts that are being made to grow Sabai grass and other grasses and bamboo on a commercial scale?

(c) Is it a fact that Sabai grass can be grown on waste land and does not require imported machinery for its cultivation and if so, what is the reason for not developing it so far?

**The Honourable Shri Jairamdas Doulatram:** (a) The annual consumption of Sabai grass in the existing paper mills is about 66,000 tons and of bamboo about 210,000 tons. Sabai grass is used by the paper mills in Upper India Region, Bamboo by the paper mills in South India and both Sabai grass and Bamboo by the mills in Eastern India.

(b) Sabai (or baib or bhabar) grass and bamboos are available in considerable quantities in private and government forests. Any difficulty in obtaining raw materials is more due to practical difficulties in exploiting and transporting the materials than to any basic lack of the materials themselves.

Some paper mills have tried to overcome the difficulty by raising small plantations near their factory sites. Plantations have also been undertaken in waste lands in Bengal, Bihar, East Punjab, United Provinces and Central Provinces under the Provincial Forest Departments.

The raising of commercial crops of these grasses and bamboo is primarily the concern of Provincial administrations.

Short term crops like Sabai grass (as different from tree crops) are held to be very exacting on soils and plantations of them would not provide a permanent solution of the problem. Large scale extension of planting bamboos and Sabai grass as undergrowth in tree forests would be possible when improved transport facilities, etc., have led to full utilisation of available natural supplies.

(c) Sabai grass generally grows wild and can be grown on waste land. Some of the paper mills are already growing Sabai grass on waste land. Machinery is not essential for the cultivation of this grass; but it may be economical to use tractors with implements where large areas of waste lands are to be brought under Sabai grass.

**Pandit Lakshmi Kanta Maitra:** Is the Honourable Minister in a position to give us an idea of the acreage in which this Sabai grass is grown?

**The Honourable Shri Jairamdas Doulatram:** I would surely require notice of that.

**Shri Kishori Mohan Tripathi:** In view of the fact that bamboo is used for roofings and other purposes by the rural population in India, will Government restrict its use for the manufacture of paper?

**The Honourable Shri Jairamdas Doulatram:** Government is not convinced that this is the case.

#### PRODUCTION AND IMPROVEMENT OF COTTON LINTERS IN INDIA

539. **\*Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what is the annual production of cotton linters in the Indian Union?

(b) What steps do Government propose to take to encourage the production of cotton linters?

(c) Has there been any efforts to standardise cotton linters and if not, do Government propose to give an early consideration to this question?

(d) Is there any proposal before Government to depute properly qualified men to the United States of America to study the question of standardisation of cotton linters and if not, do Government propose to consider the desirability of doing so?

**The Honourable Mr. C. H. Bhabha:** (a) The annual production of cotton linters in the Indian Union is very small. No statistics are available regarding the quantities produced.

(b), (c) and (d). No steps have hitherto been taken by Government to encourage the production of cotton linters or to standardise them. I am, however, having enquires made into the feasibility of Government now taking such steps, and these enquiries will cover the desirability of sending men to America as suggested.

#### FACTORIES FOR MANUFACTURE OF RAYON IN INDIA

**570. \*Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what are the plans of Government to set up factories for the manufacture of rayon in the country, the location of the proposed factories and the probable dates of their completion?

(b) What is the estimated quantity of wood-pulp that would be required for these factories and how do Government propose to meet these requirements?

(c) In view of the close relation between the paper and rayon industries, have Government considered the question of co-ordinating future developments in both, to eliminate duplication of effort and waste of raw material?

**The Honourable Mr. C. H. Bhabha:** (a) Government do not intend to set up any rayon factory of their own. The policy of Government in the matter of rayon is not to lay down any target of production or restrict the location of new units. Three parties have been given import licences for machinery for plants, to be put up at Bombay and in Travancore and Hyderabad. These factories will probably go into production by 1950.

(b) The Bombay and Travancore factories would require about 5,000 tons of wood-pulp per annum. The Hyderabad factory will use cotton linters. Experiments are being undertaken to find the right type of cellulosic raw materials for the production of pulp. Initially, however, wood-pulp will have to be imported.

(c) The Director General of Industries and Supplies will co-ordinate the requirements of the paper and rayon industries, and he will make every attempt to prevent wastage of raw materials.

**Seth Govinddas:** Have Government received any applications with respect to the rayon industry from the Central Provinces Government that the Hoshangabad district has the greatest facilities for this industry and has any priority been applied for for erecting a factory there?

**The Honourable Mr. C. H. Bhabha:** I would like to have notice of this specific issue.

**Shri Mihir Lal Chattopadhyay:** What would be the effect of the rayon industry on the indigenous silk industry?

**The Honourable Mr. C. H. Bhabha:** There will not be very much of an effect because the demand in the country is very great for both.

#### DEATH OF SHRI DEBI PRASAD KHAITAN

**Mr. Speaker:** I am very sorry to convey to the House, the news of the sad and unexpected demise, by heart failure in Calcutta this morning, of an important member of this Assembly, Mr. D. P. Khaitan. He was a distinguished Solicitor at Calcutta and practised there for some time and then had taken to business. He was also the Chairman of the Indian Federation of Merchants there and a very important and active member of this Assembly. As members are aware, he was also a member of the Drafting Committee here.

We all mourn his loss and our condolences naturally go to the family of the deceased.

The House will respect the memory of the deceased by standing in silence for some time.

INTERIM AGREEMENT ON STERLING BALANCES PAPERS LAID  
ON THE TABLE

The Honourable Mr. R. K. Shanmukham Chetty (Minister for Finance):  
I lay on the table copies of the letters relating to the extension up to the  
30th June, 1948, of the first Interim Agreement on the Sterling balances.

Letter A.

UNITED KINGDOM FINANCIAL DELEGATION

Commander-in-Chief's House,  
New Delhi.

15th February, 1948.

Dear Mr. Narahari Rao,

As a result of the consultations provided for in Article XI of the Agreement signed in London, on 14th August, 1947 (hereinafter called "the principal Agreement"), between the Government of the U. K. and the Government of India, the following arrangements have been agreed upon between our two Governments for the extension of the principal Agreement.

1. (a) The Government of the United Kingdom has taken note of paras. 2, 3 and 4 (a copy of which is annexed to this letter) of the Minutes of the proceedings of the Partition Council held on 1st December, 1947 (Case No. PC/218/20/47) recording the agreement (hereinafter called "the India/Pakistan Agreement") reached between the Government of India and the Government of Pakistan for the maintenance by the Reserve Bank of India of a separate account or accounts for sterling received or paid on and after 1st January, 1948 in respect of current transactions affecting Pakistan or for sterling transferred after that date from the No. 2 Account by agreement between the Government of the United Kingdom and the Government of Pakistan.

(b) The Government of the United Kingdom will accordingly enter into separate arrangements with the Government of Pakistan in regard to these and other matters covered by the principal Agreement for the period subsequent to 31st December, 1947.

2. The Government of the United Kingdom further takes note that :—

(a) the Reserve Bank of India will transfer from the No. 2 Account to be opened for the conduct of current transactions relating to Pakistan (hereinafter called "the Pakistan Account") the sums agreed between the Government of the United Kingdom and the Government of Pakistan to be made currently available to Pakistan.

(b) the Reserve Bank of India will also transfer from the No. 1 Account to the Pakistan Account a sum determined in accordance with para. 4 of the India/Pakistan Agreement plus a sum determined by the Reserve Bank of India as representing receipts on behalf of Pakistan from 1st January, 1948, to the date of the opening of the Pakistan Account, less a sum determined by the Reserve Bank of India as representing payments made on behalf of Pakistan from 1st January, 1948 to the date of the opening of the Pakistan Account.

(c) the Reserve Bank of India will from time to time make transfers in either direction between the No. 2 Account and the Pakistan Account in respect of such items as the Government of the United Kingdom and the Government of Pakistan may agree, in so far as they relate to transactions of Pakistan in terms of the Agreement which the Government of the United Kingdom propose to make with the Government of Pakistan in accordance with para. 1(b) of this letter.

The Government of India will forthwith issue to the Reserve Bank of India any instructions which may be necessary to enable the Reserve Bank of India to carry out the foregoing arrangements.

3. The principal Agreement as modified in this letter shall be extended to 30th June, 1948 and shall be interpreted where appropriate in accordance with the provisions of this letter. The extension shall come into force on 15th February, 1948 but shall have effect in all respects as from 1st January, 1948.

4. The extension now agreed upon shall relate only to the Dominion of India and Article X(a) of the principal Agreement shall be interpreted accordingly.

5. There shall be transferred from the No. 2 Account to the No. 1 Account the sum of £18,000,000.

6. The Government of India will co-operate with other members of the sterling area in conserving the exchange resources of the area by limiting expenditure in the territories listed in para. 7 of this letter to the fullest extent compatible with the purchase of India's essential needs. In pursuance of this policy, the Government of India will take steps to purchase part of their requirements of U. S. dollars from the International Monetary Fund. Further, the

Government of India undertakes so to limit expenditure between 1st January, 1948 and 30th June, 1948 in the territories listed in para. 7 as to ensure that such expenditure does not exceed receipts from those territories together with the dollars to be purchased from the I. M. F., by more than £10,000,000. Provided that the amounts required to be paid by India to the I. M. F. by way of charges shall not be included in the computation of this sum of £10,000,000. Article III 2 of the principal Agreement shall be modified accordingly.

7. The territories to which reference is made in para. 6 of this letter are the following :—  
The whole of the Continent of North, Central and South America and adjacent islands but excluding territories which are part of the sterling area, the Dutch monetary area and the French franc area.

The Belgian monetary area.

Japan.

The Philippines.

The Portuguese monetary area but excluding Portuguese.

India.

Sweden.

Switzerland and Liechtenstein.

8. Further consultation shall be held before the termination of the principal Agreement as extended by this letter with a view to extending it further or replacing it by another Agreement or other Agreements.

9. I should be grateful to have your confirmation that this letter correctly sets out the understanding reached between us and that it, together with your reply, shall constitute an extension, in the terms of para. 3 of this letter, of the principal Agreement.

Yours sincerely,

(Sd.) JEREMY RAISMAN.

V. Narahari Rao Esquire, C.S.I., C.I.E.,  
Ministry of Finance, New Delhi.

EXTRACT FROM THE MINUTES OF THE PARTITION COUNCIL HELD ON 1ST DECEMBER 1947

Case No. PC/218/20/47.

*Sterling assets of the R. B. of India.*

2. The two Dominions will negotiate separately with H.M.G. for releases beyond 1st January 1948. The Reserve Bank will open a separate account or accounts with the Bank of England to which will be transferred from its present account No. 2, a sum equivalent to the release made by H. M. G. to Pakistan together with the amount fixed as Pakistan's working balance. Pakistan's exchange operations will be conducted through these accounts. In assessing the total sterling holdings of the Reserve Bank for purposes of para. 1(a) above, the amounts standing in the Reserve Bank's Accounts Nos. 1 and 2 will be taken into account together with the amounts in the 'Pakistan' accounts with the Bank of England either through the Reserve Bank or otherwise.

3. From the 1st January, 1948 onwards, each Dominion will retain separately its own foreign exchange earnings and its own foreign exchange expenditure will be debited against these earnings. By the term 'its own' earnings or expenditure is meant the earnings arising out of exports from, and the expenditure due to imports into, ports within the territory of each Dominion. Invisible earnings and expenditure will be allocated according to the territory in which the transaction giving rise to them takes place.

4. The Government of India will transfer from Account No. 1 of the Reserve Bank of India to the similar account of Pakistan when established a sum in sterling equivalent to the difference between Rs. 695 crores and the c.i.f. value of 'limit' items actually imported into Pakistan ports between the 1st July, 1947 and the 31st December, 1947.

Provided that if India is not allowed to carry forward the entire sum standing to its credit in Account No. 1 on 31st December 1947, the payment above mentioned will be reduced in proportion to the reduction in the amount agreed to be carried forward.

UNITED KINGDOM FINANCIAL DELEGATION

Letter B.

Commander-in-Chief's House,  
New Delhi.

15th February, 1948.

Dear Mr. Narahari Rao,

On the conclusion of the discussions leading up to the exchange of letters extending the Financial Agreement of 14th August 1947, which you and I have signed today on behalf of our respective Governments, I wish to express my appreciation of the spirit of cordiality and understanding which has been a feature of the negotiations.

It is understood on the part of the Government of the United Kingdom that the extension of the Agreement is of an interim nature to cover the period up to 30th June 1948, and that it is without prejudice to any subsequent discussions regarding India's sterling balances.

Certain matters agreed in London in July and August 1947 between you and Sir Wilfrid Eady are recorded in the four letters which were exchanged on 14th August 1947, regarding India's Post-War Dollar Fund, the Silver Redemption Reserve, the rate of interest to be earned on the sterling balances and Indian private sterling balances. It is further understood between us that the arrangements set out in these letters will remain in force for the period of the extended Agreement.

I should be grateful to have your confirmation that this letter is in accordance with the understanding of your Government.

Yours sincerely,

(Sd.) JEREMY RAISMAN.

V. Narahari Rao Esquire, C.S.I., C.I.E.,  
Ministry of Finance, New Delhi

*Letter C.*

UNITED KINGDOM FINANCIAL DELEGATION.

Commander-in-Chief's House,  
New Delhi.

15th February, 1948.

Dear Mr. Narahari Rao,

In the letters which you and I have signed today, extending the financial Agreement between our respective Governments, it is provided that the Government of India will take steps to limit to the sum of £10,000,000, their net drawings upon the central reserves in respect of payments to the territories listed in para. 7 of my letter. It is understood between us that this figure includes the following items:—

- (a) United States dollar balances at 31st December, 1947, of banks in India in excess of the normal level of those balances: this excess we have agreed shall be considered to be the equivalent of £1,000,000.
- (b) The whole of the remaining balance of the sum of United States dollars known as India's "Post-war Dollar Fund". This means that by 30th June, 1948, India will have no further claim on the P. W. D. F.

I should be grateful to have your confirmation that this is also the understanding of your Government.

Yours sincerely,

(Sd.) JEREMY RAISMAN.

V. Narahari Rao Esquire, C.S.I., C.I.E.,  
Ministry of Finance, New Delhi.

*Reply to Letter "A".*

Government of India,  
Ministry of Finance.

New Delhi, the 15th February, 1948.

Dear Sir Jeremy Raisman.

I have to acknowledge your letter of today's date reading as follows:—

"As a result of the consultations provided for in Article XI of the Agreement signed in London on 14th August, 1947 (hereinafter called "the principal Agreement"), between the Government of the U. K. and the Government of India, the following arrangements have been agreed upon between our two Governments for the extension of the principal Agreement.

1. (a) The Government of the United Kingdom has taken note of paras. 2, 3 and 4 (a copy of which is annexed to this letter) of the Minutes of the proceedings of the Partition Council held on 1st December, 1947 (Case No. PC/218/20/47) recording the agreement (hereinafter called "the India/Pakistan Agreement") reached between the Government of India and the Government of Pakistan for the maintenance by the Reserve Bank of India of a separate account or accounts for sterling received or paid on and after 1st January, 1948 in respect of current transactions affecting Pakistan or for sterling transferred after that date from the No. 2 Account by agreement between the Government of the United Kingdom and the Government of Pakistan.



(b) The Government of the United Kingdom will accordingly enter into separate arrangements with the Government of Pakistan in regard to these and other matters covered by the principal Agreement for the period subsequent to 31st December, 1947.

2. The Government of the United Kingdom further takes note that :—

- (a) the Reserve Bank of India will transfer from the No. 2 Account to be opened for the conduct of current transactions relating to Pakistan (hereinafter called "the Pakistan Account") the sums agreed between the Government of the United Kingdom and the Government of Pakistan to be made currently available to Pakistan.
- (b) the Reserve Bank of India will also transfer from the No. 1 Account to the Pakistan Account a sum determined in accordance with para. 4 of the India/Pakistan Agreement *plus* a sum determined by the Reserve Bank of India as representing receipts on behalf of Pakistan from 1st January, 1948, to the date of the opening of the Pakistan Account, less a sum determined by the Reserve Bank of India as representing payments made on behalf of Pakistan from 1st January, 1948 to the date of the opening of the Pakistan Account.
- (c) the Reserve Bank of India will from time to time make transfers in either direction between the No. 2 Account and the Pakistan Account in respect of such items as the Government of the United Kingdom and the Government of Pakistan may agree, in so far as they relate to transactions of Pakistan in terms of the Agreement which the Government of the United Kingdom propose to make with the Government of Pakistan in accordance with para. 1(b) of this letter.

The Government of India will forthwith issue to the Reserve Bank of India any instructions which may be necessary to enable the Reserve Bank of India to carry out the foregoing arrangements.

3. The principal Agreement as modified in this letter shall be extended to 30th June, 1948 and shall be interpreted where appropriate in accordance with the provisions of this letter. The extension shall come into force on 15th February, 1948 but shall have effect in all respects as from 1st January, 1948.

4. The extension now agreed upon shall relate only to the Dominion of India and Article X(a) of the principal Agreement shall be interpreted accordingly.

5. There shall be transferred from the No. 2 Account to the No. 1 Account the sum of £18,000,000.

6. The Government of India will co-operate with other members of the sterling area in conserving the exchange resources of the area by limiting expenditure in the territories listed in para. 7 of this letter to the fullest extent compatible with the purchase of India's essential needs. In pursuance of this policy, the Government of India will take steps to purchase part of their requirements of U. S. dollars from the International Monetary Fund. Further, the Government of India undertakes so to limit expenditure between 1st January, 1948 and 30th June, 1948 in the territories listed in para. 7 as to ensure that such expenditure does not exceed receipts from those territories together with the dollars to be purchased from the I. M. F., by more than £10,000,000. Provided that the amounts required to be paid by India to the I. M. F. by way of charges shall not be included in the computation of this sum of £10,000,000. Article III 2 of the principal Agreement shall be modified accordingly.

7. The territories to which reference is made in para. 6 of this letter are the following :—

The whole of the Continent of North, Central and South America and adjacent islands but excluding territories which are part of the sterling area, the Dutch monetary area and the French franc area.

The Belgium monetary area.

Japan.

The Phillipines.

The Portuguese monetary area but excluding Portuguese India.

Sweden.

Switzerland and Liechtenstein.

8. Further consultation shall be held before the termination of the principal Agreement as extended by this letter with a view to extending it further or replacing it by another Agreement or other Agreements.

9. I should be grateful to have your confirmation that this letter correctly sets out the understanding reached between us and that it, together with your reply, shall constitute an extension, in the terms of para. 3 of this letter, of the principal Agreement.

I have pleasure in confirming that the understanding of your Government, as set out in that letter, is accepted by my Government.

Yours sincerely,

(Sd.) V. NARAHARI RAO.

Sir Jeremy Raisman, G.C.I.E., K.C.S.I.,

Leader of the U. K. Financial Delegation,

New Delhi.

*Reply to Letter B.*

Government of India,  
Ministry of Finance.  
New Delhi, the 15th February, 1948.

Dear Sir Jeremy Raisman,

I have to acknowledge your letter of today's date reading as follows :—

"On the conclusion of the discussions leading up to the exchange of letters extending the Financial Agreement of 14th August 1947 which you and I have signed today on behalf of our respective Governments, I wish to express my appreciation of the spirit of cordiality and understanding which has been a feature of the negotiations

It is understood on the part of the Government of the United Kingdom that the extension of the Agreement is of an interim nature to cover the period up to 30th June 1948, and that it is without prejudice to any subsequent discussions regarding India's sterling balances.

Certain matters agreed in London in July and August 1947 between you and Sir Wilfrid Eady are recorded in the four letters which were exchanged on 14th August 1947, regarding India's Post-War Dollar Fund, the Silver Redemption Reserve, the rate of interest to be earned on the sterling balances and Indian private sterling balances. It is further understood between us that the arrangements set out in these letters will remain in force for the period of the extended Agreement.

I should be grateful to have your confirmation that this letter is in accordance with the understanding of your Government."

I have pleasure in confirming that the understanding of your Government, as set out in that letter, is accepted by my Government.

May I on my part say how much we have appreciated the spirit of mutual sympathy and understanding which has pervaded the discussions between the two Delegations.

Yours sincerely,

(Sd.) V. NARAHARI RAO.

Sir Jeremy Raisman, G.C.I.E., K.C.I.E.,  
Leader, U. K. Financial Delegation to India,  
New Delhi.

*Reply to Letter C.*

Ministry of Finance.  
New Delhi, the 15th February, 1948.

Dear Sir Jeremy Raisman,

I have to acknowledge your letter of today's date reading as follows :—

"In the letters which you and I have signed today, extending the financial Agreement between our respective Governments it is provided that the Government of India will take steps to limit to the sum of £10,000,000, their net drawings upon the central reserves in respect of payments to the territories listed in paragraph 7 of my letter. It is understood between us that this figure includes the following items :—

- (a) United States dollars balances at 31st December, 1947, of banks in India in excess of the normal level of those balances: this excess we have agreed shall be considered to be the equivalent of £1,000,000.
- (b) The whole of the remaining balance of the sum of United States dollars known as India's "Post-war Dollar Fund". This means that by 30th June, 1948, India will have no further claim on the P. W. D. F.

I should be grateful to have your confirmation that this is also the understanding of your Government."

I have pleasure in confirming that the understanding of your Government, as set out in that letter, is accepted by my Government.

Yours sincerely,

(Sd.) V. NARAHARI RAO.

Sir Jeremy Raisman, G.C.I.E., K.C.S.I.,  
Leader of the U. K. Delegation to India,  
New Delhi.

## REHABILITATION FINANCE ADMINISTRATION BILL—*concl'd.*

**Mr. Speaker:** The House will now proceed with the further consideration of a motion moved yesterday by the Honourable the Finance Minister, namely

"That the Bill to establish the Rehabilitation Finance Administration as reported by the Select Committee, be taken into consideration."

I do not find Prof. Saksena in his place. He is changing his place. This is the last opportunity I am giving him. If I do not find him hereafter in his place, I will not call upon him.

**Prof. Shibban Lal Saksena (U. P. General):** Yesterday I had placed my criticism of the Bill on three points. I pointed out that it was not part of the coordinated plan and also said that it would result in lopsidedness of the country's economy if we proceeded in this manner, and I had said that the amount provided, namely rupees ten crores, was not quite sufficient for the problem, which is so colossal. In fact, if the figures are taken into consideration, the total population of West Punjab was 61 lakhs. Out of this, 55 lakhs are estimated to have come here. Of these 21½ lakhs are said to be of the urban population. Even if 20 lakhs have to be rehabilitated, I do not think this 10 crores will be sufficient even to cater for these refugees from West Punjab. Even if we take into account the figures given by Mr. Maitra that 20 lakhs persons have come from East Bengal, then this amount of money will come altogether inadequate. In fact, as I said yesterday, we must take note of the conditions of the people coming from East Bengal which have not been properly looked into. In fact I was looking into the speeches at one of the meetings held here the other day and Mr. Amritlal Chatterji, a disciple of Mahatma Gandhi, has been forced to say at the meeting that:

"They had not been very successful in either eradicating jealousy which the Muslims felt towards Hindus in East Bengal or banishing fear from the minds of the Hindus. Muslims are ousting Hindus from trade and commerce. Hindus were being forced to contribute to Mah Fund. Income-tax was assessed on them without any inquiry or preparation of statements of income. There was complete economic chaos. Foodgrain prices were soaring. It is the duty of the people of India not to leave them in Pakistan where living conditions had become extremely difficult."

We can expect that many more people will come from there and this amount of ten crores which is not sufficient even for 20 lakhs urban refugees from Western Pakistan, will not be sufficient for the people who will be coming in very large numbers from Eastern Pakistan. Some arrangement must be made to stop this exodus from East Bengal and that would be only possible when conditions there improve. I only want to take this opportunity to bring to the notice of the House that conditions are very bad there. In fact I have here a report sent by Mr. Rajani Kanta Das to the Prime Minister of East Bengal, in which he has cited certain specific cases where even the police and the authorities were not behaving properly towards the minorities there. You cannot expect the Hindus to stay there and the problem is likely to become colossal. In fact there is a case cited here. A person purchased a tube from a shop. That tube had been sold to the shop by a sweeper woman. That tube contained some metal and the tube burst injuring the people in that shop. One of the persons was a Muslim, who reported the matter to the police. Normally there should have been an enquiry but nothing of the sort happened. A mob went there with the police and the memorandum to the Premier of East Bengal says.....

**Mr. Speaker:** May I know what it is that the Honourable Member is referring to and how it is relevant to the motion before the House?

**Prof. Shibban Lal Saksena:** I am pointing out that ten crores are wholly insufficient to cater for the needs for the urban population which has come out from Western Pakistan and there is a very large number which is about to come from East Bengal. I want to bring to the notice of the House that large numbers of people are coming from East Bengal, as conditions there are such that they could no longer remain there. I therefore want the amount to be increased. Otherwise some measures should be taken to prevent the exodus .....

**Mr. Speaker:** For that purpose, he need not go into the various details. He can just generalise and then go on to the point so far as the Bill is concerned.

**Prof. Shibban Lal Saksena:** I pointed out yesterday that this Bill which is meant to solve the problem will not be able to solve it, unless the gravity of the situation is realised. The situation is so grave that it cannot be tackled unless the Eastern Pakistan people are told that the police and the authorities there ought to behave properly. Unless we can see that this is done the problem will become colossal, so that it will not be possible to handle it, and this Bill cannot cope with the problem. I only want to point out that either the people who are coming from Eastern Pakistan should somehow be enabled to live there or else much more money should be found in the Bill and special measures should be taken to look after the people coming from Eastern Pakistan.

I had been to Calcuttā the other day and I can say that what my friend Mr. Maitra said is a moderate statement of facts. This Bill which is intended to help the urban refugees will not be successful unless the exodus from East Bengal is limited and put a stop to or the amount of money provided for rehabilitation is increased.

Clause 13 says how these loans are to be made. One of the things provided is that it will be on the recommendation of the district officer or the Government or other agency. I want that there should be some machinery which should be able to consult the evacuees themselves. I have found in cities that the evacuees are not satisfied with the schemes which have been put forward to rehabilitate them. I want some machinery to which the people might represent as to how they want to be rehabilitated. In fact alongside with that there should be a blueprint of a comprehensive scheme of social development and the suggestions made by the evacuees should be so fitted into that broad plan that they will become acceptable to the people. Otherwise section 13 will result in haphazard development of industry and the country.

It is laid down here that the interest charged will be at a rate not exceeding 6 per cent. and the period of the loan shall not exceed ten years. All these are based on the supposition that this will enable them to repay the money which they take as advance. But without a proper plan and without knowing what the function of each person who is helped under the Bill will be, you cannot lay down these limits. It might be that you may consider that certain industries which are uprooted from West Punjab should be set up in some areas of the U. P. or elsewhere. Then you might have to give them loans for longer terms and at a lower interest. We can only make provision for all these things properly if a national plan is first put down and thereafter all these things are laid down. In fact I hope that the Advisory Committee which will be formed will work as if it was a sort of planning body and it will see that help is given to persons in a manner that will be helpful in the execution of the national plan. If this Advisory Committee is able to do that work, probably some of the difficulties might be removed but it is very necessary that this sum of money should be increased.

[Prof. Shibban Lal Saksena]

I saw a statement by my friend Diwan Chaman Lall, in which he said that about 18 lakh refugees from West Punjab require some 200 crores to be properly rehabilitated. It may be a very big figure but certainly ten crores is too small. If conditions in East Bengal become still more grave and things become much more serious, this amount of money will be absolutely insufficient. Therefore while this Bill should be a token of our concern for those people who have been uprooted from their homes, I hope the Government will try to see that the real solution of this problem is found by pressing on the Pakistan authorities the necessity for their seeing that conditions in their country improved. As Mahatmaji said, if they persisted in their policy, conditions will become very dangerous and war would become inevitable. Our policy is consistent. We want to have all our people here properly settled and I hope Pakistan will be able to prevent the exodus by improving conditions there, so that we will not have to face this huge problem of exodus from Eastern Pakistan, where conditions at present are really very bad. In fact I lived in a house in Calcutta amidst refugee families who had come from East Bengal and I was really shocked at what I heard from them. I do not want to repeat it to the House as it will become hearing to very terrible things. But I do wish that things should change. Otherwise this Bill will not be able to solve the problems which are really arising and which need very special consideration by the Government and this House. I hope the Bill as it is will go a long way at least to reassure psychologically the people who have come that the Dominion Parliament is really concerned about them and is prepared to do what it can for them. I hope the time will not come when our country will be forced to take sterner measures to see that our nationals are properly respected.

I hope, Sir, this Bill which has been brought by the Finance Minister will achieve its purpose of seeing that the people are properly rehabilitated. With these words I support this Bill.

**Mr. B. Poker Sahib Bahadur** (Madras: Muslim): Mr. Speaker, Sir, I have great pleasure in supporting this measure which will give relief to a large number of people who really need relief and it does come at a time when the problem must be attended to immediately. I do not want to take up the time of the House except to stress one point, namely, to mention that the scope of this Bill has been narrowed down to an extent which must really receive the attention of the House. I find that the Bill, even as it has emerged from the Select Committee, does not give scope for any relief to a large number of people—thousands of citizens of India—who have suffered and lost all their property in India itself. The scope of the Bill is limited only to those people in India who have lost property outside India. I am not in any way saying that they do not deserve relief. In fact they do really deserve relief and it is a very necessary and essential thing that they should be given relief. At the same time to ignore thousands and lakhs of people in India who have suffered very largely in respect of their properties, their residences and all their belongings in India itself on account of the disturbed conditions in the country and on account of the failure of the Government to give adequate protection to them, which it was their duty to give, is not correct. As a matter of fact such class of people do deserve much greater help than the other people for the reason that their suffering is really on account of the colossal failure on the part of this Government to give them protection which they were bound to give.

**Shri M. Ananthasayanam Ayyangar** (Madras: General): That is because they were responsible for Pakistan.

**Mr. B. Poker Sahib Bahadur:** Whatever may be the suffering of the other section of the people, namely, those who have lost property outside India, whether it is Pakistan or elsewhere—I am not concerned with Pakistan or any other State—I am concerned with India and the citizens of India. Whether the citizens of India have suffered on account of events that have occurred outside India or in India, both classes of people

do deserve protection. It is true that the refugees who have come from outside India have suffered on account of the wrongs done to them by authorities or agencies outside India and it is certainly our duty to give them protection and all relief. But the citizens of India who have suffered—and it cannot be denied that there are lakhs of them who have suffered like that—on account of the utter failure of this Government to give them protection which is due to them, do require protection. I say they are the class of people who should be given even priority in the matter of this kind of relief which is proposed by this Bill. I do not want to attribute motives to the Government or to the other members who are responsible for bringing out this Bill, and I do not in the least suggest that it is on account of any communal distinction or out of any such consideration that they have omitted this class of people. But I am yet to know for what reasons they have been omitted. Is it the case of the Government that these people have suffered for their own fault and therefore they do not deserve any relief? Or is it their case that it is not the duty of the Government to give relief to those citizens who have suffered in India itself on account of the civil disturbances which have happened here? Whether the Government is responsible for these disturbances or whether it is on account of their failure to suppress the disturbances, the fact is there that these people have suffered heavily—and there are thousands and lakhs of them. I do appeal to the Government therefore to see that the scope of the Bill is widened in such a way as to include this kind of people also within the scope of the relief that is afforded by this Bill. Sir, this is all I have to say.

**Shri T. T. Krishnamachari** (Madras: General): Sir, the question be now put.

**Mr. Speaker:** The question is:

“That the question be now put.”

The motion was adopted.

**The Honourable Shri R. K. Shanmukham Chetty** (Minister for Finance): Sir, there has been criticism from certain quarters about the scope of this measure, especially in relation to the definition of the word ‘displaced person’. One Honourable Member went to the extent of saying that this measure is intended to give assistance only to the Hindus that have migrated from Pakistan into India and that it was not consistent with the spirit of a secular State. My answer to this criticism is that it is not intended that the benefit of this measure should go to any particular community at all. I can give an instance. For instance if a Mussalman or any non-Hindu living, shall we say, in Amritsar has lost all his business assets in Pakistan he would be as much entitled to assistance under this measure as the member of any other community. I was asked by these honourable gentlemen to enlarge the definition of the word “displaced person” so as to include persons who had to leave their homes in one Province in India and migrate to another Province or to another place in the same Province. Sir, it is not the intention of this measure to provide an all-round relief and assistance for every person who has suffered as a consequence of the recent communal disturbances. If it is contended that a person living in Delhi had to migrate to Agra on account of communal disturbances and must be given assistance, then by the same process of reasoning a person in Delhi who has lost all his property in Delhi and still continues to live in Delhi must also be given assistance.

**An Honourable Member:** Where is the harm?

**The Honourable Shri R. K. Shanmukham Chetty:** There is no harm. We are not attempting to introduce by this legislation a comprehensive measure of relief of that kind. I am prepared to concede that everyone of whatever community, under whatever circumstances who has lost any property or business is certainly entitled to the protection and assistance of the state, but I do not pretend that this measure is intended to cover that comprehensive scheme of assistance. Sir, this has got a restricted scope. It is intended to help those persons who had to come away to India from abroad on account of communal disturbances or persons who have lost their business and assets situated abroad. If this restricted scope of the Bill is appreciated, then I submit there is no point in that criticism.

My Honourable friend Professor Saksena, criticized the Bill from another point of view. He said considering the magnitude of the problem, the number of persons displaced, the property lost, the measure that I am proposing is inadequate. I say yes, his criticism is perfectly justified. But then the answer to him is also this, this is not intended to be an all comprehensive measure to meet all the problems arising out of this rehabilitation of refugees. This is intended to cover only one aspect of the problem.

**Mr. Mohd. Tahir** (Bihar: Muslim): On a point of information, Sir. What about those persons who have suffered in the States and have come and settled down in India?

**The Honourable Shri R. K. Shanmukham Chetty:** This is not intended to help or assist anyone who has simply left one part of the Indian Dominion to another part of the Indian Dominion. So if the state in question is part of the Indian Dominion, then he would not be entitled to assistance under this measure.

With regard to the point raised by Professor Saksena, I would say that there are various other schemes that the Government have already put into operation and intend to put into operation to make the assistance of a much wider character. For instance, we have already set up a Rehabilitation and Development Board which is intended to tackle this problem on a very comprehensive scale. Provincial Governments like the East Punjab Government have already undertaken large schemes of agricultural settlement which is intended to settle on land all these unfortunate men. So I would invite Honourable Members to realise that this measure is intended to have a limited scope and within that limited sphere there is need for a measure of assistance of the kind contemplated. With regard to the actual amount that we have provided for in the context of the present circumstances, I thought it would not be proper to come before the House with a proposal for more than ten crores of rupees, but if later on we find that this measure has achieved the purpose it has in view, then I would not hesitate to come again before the House and ask for a further increase of capital. I would in this connection, Sir, assure my Honourable friend Mr. Lakshmi Kanta Maitra that Government are fully alive to the situation that exists in West Bengal. In fact my intention is that even in the earlier stages of the operation of this administration, we should open a branch in Western Bengal also for the assistance of those who have come from Eastern Bengal.

**Pandit Lakshmi Kanta Maitra** (West Bengal: General): Thank you very much.

**The Honourable Shri R. K. Shanmukham Chetty:** I do not think there is anything more that I should refer to at this stage. The other criticisms relating to points of detail will be answered when we take up the discussion of the clauses.

**Mr. B. Poker Sahib Bahadur:** May I know on a point of information whether the Government contemplate bringing in any legislation or measure to give relief to those Indians who have suffered in India on account of civil disturbances and on account of the failure of the Government to protect their property?

**The Honourable Shri R. K. Shanmukham Chetty:** It will be primarily the responsibility of the province concerned to extend the measure of relief that is necessary to these unfortunate persons, and if the provinces make out a case that their resources are not sufficient for this purpose, then certainly the Government of India will very sympathetically consider any proposal that the provinces might have to make.

**Mr. Speaker:** The question is:

"That the Bill to establish the Rehabilitation Finance Administration as reported by the Select Committee, be taken into consideration."

The motion was adopted.

**Mr. Speaker:** We may now take the Bill clause by clause.

**Mr. Naziruddin Ahmad** (West Bengal: Muslim): Before I move the amendments, I should say that I shall leave some of the amendments to you to consider. I will not move them. I have given a list yesterday?

**Mr. Speaker:** So these amendments will not be moved?

**Mr. Naziruddin Ahmad:** No.

**Shri K. Santhanam** (Madras: General): Can it not be a convention that such amendments will not be tabled hereafter?

**Mr. Naziruddin Ahmad:** There can hardly be a convention of that type.

**An Honourable Member:** Are these amendments being withdrawn?

**Mr. Speaker:** Not withdrawn. They are not being moved. I discussed this twice before and also suggested that it would be better, if a list could be given to me so that I would pass it on to the Honourable Minister, as also to the Draftsman so that there will be no occasion for a discussion of these here. However even if the amendments are tabled, now that they are not being moved, the effect is practically the same.

**The Honourable Shri R. K. Shanmukham Chetty:** I have already conveyed to the Honourable Member a list of the amendments that I am prepared to accept.

**Mr. Speaker:** I take it he will move only those?

**Mr. Naziruddin Ahmad:** No, Sir, there are one or two others which I propose to move.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That part (a) of clause 2 of the Bill, be omitted and the subsequent parts be re-lettered accordingly."

Sir, part (a) reads as follows:

(a) 'Act' means the Rehabilitation Finance Administration Act, 1948."

This seems to me to be absolutely unnecessary because in clause 1, sub-clause (1), we have already given a name to the Act:

"(1) This Act may be called the Rehabilitation Finance Administration Act, 1948."

As clause 1(1) has already given the name of this Act, this part (a) of clause 2 is unnecessary.

The word "Act" has been used in this Bill several times. It appears after the heading of clause 2, 'Definitions'. It also appears in parts (b) and (c) of clause 2, clause 3(2), clause 10(a), clause 19, etc. Here the word "Act" has been used as "this Act". "This Act" is so clear that it does not require any definition. In fact, the passage which I object to, merely says:

" 'Act' means the Rehabilitation Finance Administration Act."



[Mr. Naziruddin Ahmad]

I submit it is absolutely unnecessary to retain this; "this Act" always means the Act with this title.

The word also appears in two other places, in clause 16 as the "Indian Companies Act" and in clause 20 as the "Income-tax Act". These are the only places where the word "Act" has been used. I believe, Sir, that part (a) of clause 2 is absolutely unnecessary; it attempts to make clear something which is already clear, and it is not even the custom to define the word "Act".

Sir, I move:

"That part (a) of clause 2 of the Bill be omitted and the subsequent parts be re-lettered accordingly."

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I am not accepting the amendment.

**Mr. Speaker:** The question is:

"That part (a) of clause 2 of the Bill be omitted and the subsequent parts be re-lettered accordingly."

The motion was negatived.

**Shri K. Santhanam:** Sir, I move:

"That for part (d) (i) of clause 2 of the Bill, the following be substituted :

'(i) a person who, being displaced from any area outside India on account of civil disturbances or fear of such disturbances, has settled and is engaged or intends to engage in any business or industry in India, or.'"

Sir, as the clause stands, it reads:

"a person who is displaced from any area outside India, or."

It includes a person who is displaced from China and goes to Timbuctoo, but that is obviously not the intention of the Select Committee; I think the latter half of sub-clause (ii) refers both to (i) and (ii). Somehow it was printed like this and I thought it would be better to bring it again in clause (i). This is a purely formal amendment. Sir, I move.

**Mr. Speaker:** Amendment moved:

"That for part (d) (i) of clause 2 of the Bill, the following be substituted :

'(i) a person who, being displaced from any area outside India on account of civil disturbances or fear of such disturbances, has settled and is engaged or intends to engage in any business or industry in India, or.'"

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Haji Abdus Sattar Haji Ishaq Seth** (Madras: Muslim): Sir, before that thing happens, there will be some difficulty. This amendment seeks to replace sub-clause (d) of clause 2 and therefore it will be impossible for others to move their amendments on this sub-clause if the House accepts this amendment. I submit that the other amendments should also be allowed to be moved and that the House should finally be asked to give its opinion. Otherwise the others are shut out.

**Mr. Speaker:** All the other amendments relating to clause 2?

**Haji Abdus Sattar Haji Ishaq Seth:** There is amendment No. 8.

**Mr. Speaker:** There is also another amendment by Mr. Subrahmanyam.

**Shri C. Subramaniam** (Madras: General): I am not moving it.

**Mr. Speaker:** I shall take all amendments to this clause and see which are going to be moved.

**Shri K. Santhanam:** Sir, a substitution amendment always comes first, because if the substitution is accepted then the existing clause has no meaning—when it is substituted any amendment of the existing clause will not have any purpose.

**Mr. Speaker:** If the substitute amendment is accepted by the House then the other amendments go off automatically, but the point here is that, unless they are moved at this stage, the movers will get no opportunity of expressing their views on the nature of the amendment which they want to move.

**Shri M. Ananthasayanam Ayyangar:** If the substitute amendment is defeated then they will have a chance; therefore they need not be moved at this stage. If the substitute amendment is accepted, automatically the others go because the Assembly has expressed its opinion; then there is no meaning in their moving their amendments which are amendments to the original clause as it stands. If it is rejected they can move their amendments thereafter.

**Diwan Chaman Lall (East Punjab:General):** This is hardly a substitute amendment. What it seeks to do is to enlarge the definition of a person who is displaced. That is all it seeks to do; it is really an enlargement of the existing definition—not actually a substitution of one thing for another which may be entirely different. It merely enlarges the scope of the definition of the displaced person. The amendment (No. 8) which my Honourable friend seeks to move would enlarge the scope of this particular definition of a “displaced person”; it would take into its purview not only certain categories which are defined under “displaced persons” but certain other categories. So I submit he would be perfectly in order in moving his amendment.

**Mr. Speaker:** I was placing it on a different ground altogether without going into these technicalities. Of course, all these amendments, in a way, try to seek to enlarge the scope. To what I was inviting the attention of the Honourable Member, who raised the point of order was that if all these amendments which deal with the same subject are allowed to be moved at the same time, the Honourable Members who have tabled the amendments get a chance of placing their point of view before the House. Ultimately, if one is accepted the other amendments will be automatically taken to have been rejected by the House without being put to the vote. So I am giving a chance to them just to have their views before the House.

**Kazi Syed Karimuddin (C. P. and Berar: Muslim):** Sir, I beg to move:

“That in part (d) (i) of clause 2 of the Bill, after the word ‘area’ the words ‘in or’ be inserted.”

Sir, if the word ‘in’ is inserted, the definition of “displaced person” will be like this: “a person who is displaced from any area in or outside India.” While commenting on my speech yesterday, the Honourable the Finance Minister said that I attributed a motive to the Government that this measure was intended for Hindus and also that this was inconsistent with the secular nature of the State. Sir, I will read that portion of the speech which I delivered and it is this:

“These Muslims will not be entitled to any financial assistance according to the provisions of the Bill which will mean that the provisions of this Bill will be applicable only to Hindus.”

I never alleged that the intention of the Government is to deprive the Muslims from the assistance that is to be given under the provisions of this Bill. Therefore, Sir, the statement which the Honourable Minister made is not, I think, wholly correct although I submitted that it means that.

Sir, the reason why I insist on moving this amendment is this. This is a question of principle; this is not a question of detail. It has been said that the Government did not intend to bring a comprehensive measure to cover this aspect of the question, but the Honourable the Finance Minister has given absolutely no reasons why a comprehensive measure is not brought before the House. If there are displaced persons in India who have suffered terribly, who have lost their property, who have lost their relations, and who are the

[Kazi Syed Karimuddin]

nationals of this country, why should they not be supported under the provisions of a Bill like this? Sir, the only reason that has been assigned is this, that if the scope of this Bill is enlarged, there will be many cases which will have to be considered and probably the amount that is contemplated would not be sufficient. If this is such a serious matter, Sir, if people have suffered and if the State wants to look after them, if we want to give relief to those who have been displaced in life then, I submit, no amount is excessive. It is the primary duty of this Government to support, to finance and to give self-respect and an honourable living to such people in this country.

Sir, it has been said by the Honourable Minister: "Well, it is not that only Hindus will get relief. Even a Muslim living in Amritsar if he had his business in Pakistan and it is destroyed, will get it." Well, Sir, what are the facts? Hindus have suffered in Pakistan. They have suffered terribly and it is because of this misfortune, and these atrocities, that we want to extend a helping hand to them. At the same time, Sir, Muslims have suffered in India. They have suffered in the States terribly, and it is the Hindus who have come from Pakistan and not the Muslims who have come from Pakistan. So in effect, although it may not be the intention of the Government, it is only the Hindus who will benefit.

Now, it has been said by Mr. Ayyangar in the speech which he delivered yesterday that it is within the scope and jurisdiction of the Provincial Governments to consider such cases. He said that we are considering only about outside refugees. Well, Sir, I submit that we are not only considered with outside refugees, but we are concerned with all "displaced persons". If the scope of this Bill relates to refugees from outside, then to that aspect I am objecting. We must consider the cases of those who have been displaced in this country or outside as a result of the civil disturbances. (*Shri M. Anantasayanam Ayyangar*: "No!") That is what I submit, Sir. Now, Mr. Ayyangar said that the Provincial Governments will help those who have suffered in this country and reinstate them and so on. Now, displaced persons cannot depend upon promises. Considering from higher ideal which the Government has placed before this country, namely, that it is a secular State, that this matter should be looked at and the displaced persons, be they Hindus or Muslims in this a Secular State should be helped and rehabilitated.

Sir, I do not minimise the plight of those at all who have come from Pakistan. They have lost everything in life. They have lost their property; they have lost their relations, and whether they belong to this country, whether they are the nationals of this country or not, that is not the point to be considered. The point to be considered is they are human beings and people who once belonged to the geographical union of this country deserve all our help. Why the scope of this Bill is not being extended, I really fail to understand. Therefore, Sir, the matter is one of principle, not one of detail. I submit that it will be just and proper if the scope of this Bill is extended to all those who have suffered as a result of civil disturbances for no fault of theirs. People had become mad in Pakistan; people had become mad in this country. Nobody is going to justify either the action of those Muslims who committed these atrocities in Pakistan or those Hindus who have done the same thing in this country. Merely saying that the Bill is not comprehensive, and that Government is not prepared to bring in a comprehensive measure, does not carry conviction. If Rs. 10 crores are not enough, have Rs. 20 crores. Therefore, my submission is that this is a very urgent matter. It is a matter of principle and therefore, Sir, I press my amendment.

**Mr. Speaker:** Amendment moved:

"That in part (d) (i) of clause 2 of the Bill, after the word 'area' the word 'in or' be inserted."

**Shri Brajeshwar Prasad** (Bihar: General): Sir, I beg to move:

"That in part (d) of clause 2 of the Bill, the following new sub-part be added :

(iii) a person in India who, having had his business, industry or property in India, has lost wholly or partially, such business, industry, or property on account of civil disturbances or the fear of such disturbances, and who is engaged or intends to engage in any business, industry, or agriculture in India;"

Sir, I do not wish to make any long speech. In proposing my amendment, I wholly support the observations made by my Honourable friend Kazi Syed Karimuddin. We have always said that we want to build up a secular State. What we are doing today is, however, just the direct opposite of all our professed aspirations and hopes. We have been saying that we are nationalists; we believe in Hindu-Muslim unity; that Hindus and Muslims are one; whatever wrongs, whatever atrocities the Muslims may have committed in Pakistan will not influence us. The fact is, Sir, that Muslims have suffered badly; they have suffered badly in Bihar Province, to which I belong, and, as my Honourable friend said, they have suffered badly in the native States as well. It is the bounden duty of a secular State, if indeed there is any substance in this professed claim, any truth in it, to help these Muslims also. The reason why Muslims have been excluded from the benefits of this Corporation are not convincing to us. I do hope that the Government, if it wants to maintain the prestige of the Congress, will amend the Bill as Kazi Syed Karimuddin wants it to be.

**Mr. Speaker:** Of course, the wording of this amendment is different, but in effect it is the same as that of Syed Karimuddin.

Amendment moved :

"That in part (d) of clause 2 of the Bill, the following new sub-part be added :

(iii) a person in India who, having had his business, industry or property in India, has lost wholly or partially, such business, industry, or property on account of civil disturbances or the fear of such disturbances, and who is engaged or intends to engage in any business, industry, or agriculture in India."

**Shri M. Ananthasayanam Ayyangar:** I would like Honourable Members and particularly my Honourable friend Mr. Karimuddin who has moved this amendment so ably, which in some other form though actually the same in substance and with greater eloquence has been supported by Mr. Brajeshwar Prasad, to consider what the implication of this amendment is. We know definitely when the exodus from West Punjab came to East Punjab. It is not long after they were brought here this rehabilitation programme has been started. How long before? Let us go back to the days when the Calcutta disturbances started, i.e. off the 16th of August. There a number of people suffered. Later on a number of Hindus in Noakhali left their homes and migrated to portions of Calcutta which are now West Bengal. Has this Government done anything for them till now? So it is not at all fair and proper for either my Honourable friend on the right or my Honourable friend on the left who was the first supporter to say what they said without understanding the facts of the situation.

**Shri Brajeshwar Prasad:** I know the facts probably better than the speaker, because I come from a Province where there have been such riots.

**Shri M. Ananthasayanam Ayyangar:** All that I am submitting is that the Honourable Member has not addressed himself to the enormity of the problem and the other point is that he need not have enthusiastically accepted to help those persons who were displaced only now after this matter has been taken up regarding the refugees from other dominions. Persons whether displaced in Calcutta or in Bihar or in other parts or from one part to the other, they were all displaced long before those persons were displaced either from West Punjab or in East Bengal. Why were people silent? All that I am saying

[Shri M. Ananthasayanam Ayyangar] is that these were not at all to be compared with the provision that has to be made now, for the number of persons that were massacred, who died for their very lives and who even today are undergoing all the inconveniences. Still they are suffering for food and are roaming from place to place. Can we say that the sufferings of those persons who come from West Punjab are absolutely different? As yet, they have not decided to what place they belong. They have been going on, not knowing where they go; they get into some train and until the train gets to its destination, they do not know where to get down. We are addressing ourselves to those persons, certainly of persons who have suffered from flood, damage, earthquake and disturbances and they are entitled to relief in some form or another. After all the entire income is coming from the public and the public has adjusted itself to those other persons who suffered on account of certain disturbance locally. I am still waiting to see if any of my Honourable friends protested and until my Honourable friend Maitra brought it to our notice, we did not know the enormity of the problem that is going to arise in East Bengal and West Bengal. Is it not open to my friends who started all the trouble in this country, on account of which all the troubles have arisen both in this country and elsewhere? Yesterday there was difference of opinion as to whether we should continue the same spirit of hatred and after persisting in doing it then say: "I will come here and preach morality for us." Our resources are limited. My Honourable friend says it is intended wholly for the Hindus. I would ask those persons: "Have you spared the Christians in that country?" Anybody who was not a Muslim was sent away.

**An Honourable Member:** On a point of order, Mr. Speaker, are we to account for that?

**Shri M. Ananthasayanam Ayyangar:** I am only saying: Do not throw the blame on the Hindus or Muslims. This is not a question of a Hindu or a Muslim, but whoever has suffered to some extent, the relief is sought to be given. Let not my friend Mr. Karimuddin say that this is intended for the Hindus. This Government has not used the word 'Hindu' but non-Muslims i.e., those who have come away from West Punjab, not only Hindus. My Honourable friend Mr. Sidhva is here. Is this the place for him? He is one of the worst refugees, but it is most unfortunate for a man of his talents. One day he could have easily walked into the other lobby and taken charge of the Sind Government, but now he is a back-bencher. All that I say is this gentleman, my Honourable friend to the left is not a Hindu. Let the word 'Hindu' go to the wall and let us be a secular state. We are not only Hindus that have suffered, Christians have suffered; Parsis have suffered; Buddhists have suffered; Jains have suffered. This is not only for them but including the Muslims also. I know a number of cases where some of the Muslim friends thought they were going to heaven if they were going to Pakistan. Many of them have returned now. Those unlawful forces originally killed the enemy, but later on killed the man who set them afoot. The man who protected them is the last victim. The others are victims first likewise. The number of Muslims that fled away from Lahore to this country, I suppose they are also displaced persons.

It is only this morning, Sir, we had in the question hour my Honourable friend Mr. Ishaq Seth asking a question as to why through trains are not running from this province to the other province. He expects that those people would come here and my answer is: "Nobody from here will go there, but a number of people from there can come here." I assure my Honourable friend who wanted a through train: "Let there be one train from Lahore to India and even then I do not expect even a few people will go to Lahore. It is impossible." Let us not mix up the issues. If one man from Bihar has been displaced, he is

settled down. From Patna he has gone to Gaya or he may have gone to some other place. Those are persons who have settled down. We have suffered enormous damage. Again and again questions were put on the floor of the Assembly as to what steps are being taken to collect these damages that our people have suffered in West Punjab. What is the good of thinking in what quarter to appeal against. If any citizen of this country is displaced by another citizen the court of law will certainly replace that displaced person, punish the other man and impose fines on him and recover that and pay it to him. We are all citizens who are displaced inside our own dominion. But those who have come from West Punjab belong to a different dominion altogether. No court of justice is likely to get us compensation. Sir, I expected my friends to say let us expand this 10 crores and add to it by 10 more crores and give relief to those unfortunate people who are running away from East Bengal to West Bengal. But not a word has been said about it, by either of the sponsors of this amendment. I say let us be large-hearted; merely because he does not reciprocate, I am not going to build a shell round myself. I intend that this measure should help not only Hindus, but Muslims and all other displaced persons and the term 'displaced persons' will be applicable to whoever has suffered. To my knowledge Muslims might have suffered in such large numbers and might have come away from portions of the Punjab and they are also displaced persons. In clause 2 (d) you will find persons who had wholly or partly business in outside India. There may have been persons who had business in Amritsar and also in Lahore; their business might have suffered.

It will apply to these men also, whether Hindu or Muslim. With regard to my Honourable friend Mr. Chetty, whatever might be attributed to other people, you cannot attribute any communalism to him and say that he wants to deprive one community or one class of persons from the benefits of this. My Honourable friend the other day placed before us a deficit budget and by some clever jugglery he took an advance of 10 crores and handed it over for this particular purpose. He knows the finances are sound and he knows what difficulties there are. Let us all put our heads together and find out ways and means. My Honourable friend Mr. Pocker and the other friend sitting with him are all prominent members of the Madras legislature. They can move that legislature and that Government. There are also other members who have come from the various provincial legislatures. The Finance Minister said that if the province wants it is the business of the province. Whether it is the business of the province or the centre, the centre cannot do all the business from end to end for every citizen from Cape Comorin to the Himalayas. After all its resources are limited and so it will address itself primarily to one aspect and the provinces will address themselves to another aspect, and if they are in need of funds which they cannot get there they will come to the centre. In these circumstances let us not lose ourselves in our enthusiasm to support one cause. We do want to be a secular State, whereas in another place it was said the other day, "We are a Muslim State." By all means let them be a Muslim State and whoever is a big Muslim can have a First Class ticket from me. We do not want any more of this camouflage. Those persons who are displaced brought it all. I ask honestly if there is one Muslim in this country who did not say "Jai, Jai" to somebody but wanted this country to go to pieces. Even now they have not changed their heart. I am not trying to penalise any one; all that I say is that their case stands on a different footing from the rest. These are unfortunates who have been driven out and they have not established their residence in this country. Therefore let us not fritter away the small resources that we have. These are people who want relief first and foremost. I am glad the Finance Minister said that he will immediately open another branch in West Bengal. I would rather urge on my friends there to give a

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word of advice to their men in East Bengal not to embark upon the mad course of driving away to the last any non-Muslim who lives in that country. Sooner or later they will come to our own. In a huge province like the Punjab there is hardly more than 50,000 persons. Our friends are safe here, much safer than friends elsewhere. A Committee of five has been reduced to two. We do not want to dilate on these tactics. We are not here to please this section or that section; we are here to please God and ourselves. Sir, I appeal to my Honourable friends to withdraw this amendment.

**Shri Rohini Kumar Chaudhuri** (Assam: General): Sir, I confess that my first impression with regard to the definition of 'displaced person' was in very great accord with the views expressed by my Honourable friends Mr. Pocker Sahab and Mr. Brajeswar Prasad. But on second consideration I would respectfully submit that the definition cannot be amended in the manner sought because that will be quite outside the scope of this Bill. What is intended to be done is to grant relief to those persons who were placed in that predicament not merely by the negligence of Government under which they were living at that moment but also to a great extent by indiscretion on our part. We had agreed to partition; we had expected—wrongly as it proved later on—that the Government in whose care the refugees were placed would do their duty by them. But partly due to our own action and partly due to the action of Government under which they were living, they were placed in that predicament; and the first duty of the Government of India would be to help those persons who were victims of negligence of another Government. It is indeed true that there are persons who lost in India and who desire help from the Government of the country, and they should be helped; but this Bill is not competent to give that relief. We know that in August 1946 a large number of persons, both Hindus and Muslims, were turned out of their houses and could not return to their homes and their business for a long time, and the Government of Bengal even in 1946 came out with some sort of help, though that help may not have been adequate. Similarly the Government of Bihar and the Government of Delhi will, I hope, come forward with a helping hand, and if the resources at their disposal are found to be inadequate I am sure the Government of India will give such assistance as they require. But, as I find, it is impossible to give them that relief within the scope of this Bill.

Another point is this. I hope the Honourable the Finance Minister will in the course of his reply enlighten us as to what has been actually done with regard to the refugees of East Bengal who have come already over to Western Bengal. When I last put a question in this House on that matter the answer was that Government did not even know the number of refugees who have come to West Bengal. I know the Premier of Bengal has already come to Delhi for the purpose of getting some relief from the Government of India. The administrative Corporation may take a long time to materialise. In the meantime these people want some sort of housing and some kind of business and employment and I hope the Honourable Minister will tell us what interim steps have been taken in the meantime.

**Pandit Thakur Das Bhargava** (East Punjab: General): Sir, I am really very sorry at the turn which this debate has taken. When I was on the Select Committee and when the Bill was placed before us I thought that the number of Hindus who had come to grief in East Punjab and who had lost much on account of the depredations of their own countrymen was fairly large. Perhaps my Muslim friends in this House do not know that in many villages where Muslims had gathered together in separate blocks—in Hissar and Rohtak districts—they got out from scattered villages and gathered in thousands in their own villages and from there they committed depredations upon Hindus, and

many Hindu villages were burnt by them. In East Punjab thousands of people did not follow their ordinary avocations and cultivate their lands, and the number of persons who suffered from the depredations of these men who ultimately went to Pakistan was fairly large. And I submitted to the Select Committee to enlarge the scope of this Bill because I wanted that those who had lost here in East Punjab should also be compensated to some extent. But after hearing the Finance Minister and other friends on the Committee I withdrew my amendment, and for very good reasons.

Now, Sir, I am at one with my Muslim friends in thinking that all persons in the State who have suffered should be compensated by Government, and Government has done that. I am one of those who have been rather complaining that in this matter the Government of India have been much more considerate to the Muslims than to the other sections. And there is no doubt about it. Any person living in Delhi knows full well how the houses of those Muslims who have left for Pakistan are being guarded by Government and the refugees are complaining against Government for this discriminatory treatment. Now, Sir, I do not want to go into all those matters. Here in the present instance, the submission of some of my Muslim friends is that this Bill seeks to discriminate between Hindus and Muslims. This is wrong. The scope of the Bill is that those persons who have suffered in Pakistan at the hands of those who lived there, whether in property or person, and those who have been displaced, come within the province of the Bill, be they Hindus or Muslims. And it is not that other persons who have suffered in this Country are not to be compensated. May I humbly bring to the attention of the Muslim members of the House the provisions of the Police Act, in accordance with which, if there is any place or area in the province where there are civil disturbances, the Government is bound to compensate those who suffer in that area if the area has been declared a dangerous area. At one time, the Punjab Government in the months of March to August in 1947 issued instructions that those persons will be compensated. But we know that the sufferers and their relatives have come here and no one has been compensated. This Bill is very restricted and the facts that persons have suffered in Bihar and Nookhali are not germane to this Bill. I know the Government of Bihar has spent about 3 crores to rehabilitate Muslims displaced in Bihar. May I humbly ask, what have the Western Punjab Government done for those displaced from March to August, so far as the Hindus and Sikhs are concerned? But here when there is a question of miseries suffered and plight of persons who have been displaced, I do not want that the conditions of these people, or their number, or the troubles they have undergone, should be compared. Nor is it useful to complain that this Government has not done this or that.

As you have been pleased to see the amount is only Rs. 7 crores and if Rs. 10,000 be taken as the average loan per person, it is only about 7,000 people who will be helped. Now we considered that out of 40 lakhs of refugees, about 20 lakhs from West Punjab are such as were engaged in industry and business, which means that only about one third of one per cent. will be the number of persons who will be sought to be helped by this measure. If we add to the numbers which have come to West Bengal and are likely to come from East Bengal, I think the percentage will be still less. I am not in the habit of retorting, but at the same time may I humbly ask those who have preceded me, to tell me why they are so anxious about the rehabilitation of those few persons only who may have been displaced for disturbances in Delhi and other places? And why did they not say a word about those who are being displaced or who are in the course of being displaced? Have any of them raised their little finger in respect of a situation in East Bengal which is getting very serious from day to day?



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May I submit a word to the Government of India. Twelve lakhs are alleged to have come from East Bengal already. There is a very great population there and it is likely that more will come. The amounts mentioned in the Bill I understand, will not be able to meet the needs of all those cases and there will be no relief for all of them. When we consider the magnitude of the problem, I think this Bill will not be able to touch the fringe of the problem. The question is that when relief is to be given, I would like it to be given to one who is the worst sufferer. If there are 20 persons in a house, and one is suffering from some disease and the others are healthy, the better part of the family income must necessarily be devoted to the comfort of one who is suffering. These people who have come from East Bengal and those who have come from West Punjab have suffered most and they cannot, unless a Bill of this nature is there, be helped in any matter. If these are citizens of East Punjab or West Bengal whose citizens have been displaced in their municipal areas let those Governments do something for them. The East Bengal and Western Punjab Governments have done nothing for non-Muslim nationals. We have never heard that displaced persons belonging to these areas have been asked to come back and rehabilitate themselves there. On the contrary I know that persons are coming into East Punjab from Lahore and other places *e.g.* to Gurgaon because the conditions in Pakistan are not so good as they might be. In regard to those persons, I understand, when they come back, the Government will try to give them their properties. Such Muslims as have lost their properties in Pakistan and want to engage in business or industries will surely benefit by the present Bill. I think it is too much that some members of the House begin to impute motives to the Government of India that it is discriminating between Hindus and others. I do not know what to say to the Government of India. I cannot conceal my own feelings that the Government of India have not been fair to the Hindus in the sense that they have tried to give more relief to the Muslims of Delhi than to the Hindus from Western Punjab. I am sorry; I did not want to say all this but yet when I hear things contrary to facts, I cannot restrain myself from expressing that there are many refugees who think like myself, and there are many other persons who want that, in this matter of discrimination, this aspect of the activities of the Government of India should not be allowed to proceed further.

**Mr. Speaker:** Is the Honourable Member likely to take much longer? In that case, we may adjourn and he may resume his speech after lunch.

*The Assembly then adjourned for Lunch till Half Past Two of the Clock.*

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*The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.*

ANNOUNCEMENT *RE* ALLOTMENT OF ADDITIONAL DATES FOR VOTING ON DEMANDS AND FOR REFERENCE OF FINANCE BILL TO SELECT COMMITTEE.

**Mr. Speaker:** I have to inform Honourable Members that in pursuance of a demand from Members for allotment of further time for voting of Demands for Grants, I have fixed Saturday, the 13th March and Tuesday, the 16th March for the discussion and voting of Demands for Grants in addition to the days

which have already been allotted for this purpose. The revised programme of dates in connection with the General Budget will be as follows:

Wednesday, the 3rd March	} General Discussion.
Thursday, the 4th March	
Friday, the 5th March	} Voting of Demands for Grants.
Monday, the 8th March	
Wednesday, the 10th March	
Thursday, the 11th March	
Friday, the 12th March	
Saturday, the 13th March	
Monday, the 15th March	
Tuesday, the 16th March	

I have also to inform Honourable Members that I have allotted two days, namely Wednesday, the 17th March and Thursday, the 18th March for the consideration of the motion to be moved by the Honourable the Finance Minister for reference of the Finance Bill to Select Committee.

#### REHABILITATION FINANCE ADMINISTRATION BILL—concl'd.

**Kazi Syed Karimuddin:** Sir, on a point of personal explanation, I never attributed any motive to the Government. On the contrary I am conscious that the Government is doing all that is possible for the protection of minorities. My point was that Muslims were excluded.

Another point which was mentioned was that I have not condemned in my speech those who had committed atrocities on Hindus in Pakistan. I have already condemned those atrocities.

**Pandit Thakur Das Bhargava:** Sir, I am glad that the mover of this amendment has been pleased to accept the view that the Government of India have been very just to the minorities and that they have done all that a Government could do for them. In regard to the condemnation of minorities by the Honourable Member I do not think I or any other member has raised this question, nor is this question the main issue.

I was submitting that this Bill has a restricted scope. In the first place it is restricted to persons who have been displaced on account of civil disturbances from outside India and secondly, it is restricted to those who have had business or property or industry in Pakistan and have lost them wholly or partially. As has been pointed out by the Honourable the Finance Minister there are many Bills on the anvil of the legislature of Eastern Punjab as also here which relate to this subject and this Bill only relates to such persons as are about to engage in business or industry. If you kindly compare the number of those who have been displaced from Western Punjab or Eastern Bengal with these displaced in India you will see that a very large number of them happens to belong either to the Hindu and Sikh community. Out of 40 lakhs of those who came from West Punjab half of them had agriculture as their avocation and the other

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half were engaged either in business or industry. Similarly I understand from Eastern Pakistan also a very large number of people coming, who were engaged either in business or industry, so that the percentage of those who are to be helped under this measure is bound to be much more from the Hindu community than from the Muslim community. I have no doubt that if the percentage is only taken ultimately it will be found that the Muslims will be benefited to a greater extent than the Hindus and Sikhs, because those who will settle in industry only will be helped and their number will be limited, so that if any Muslims apply for help under the measure their applications may be granted much more easily. Those persons from among numbers who intend to settle in industry and have been displaced are much smaller in number. In my humble opinion the Honourable Members who moved the amendment should direct their energies to a better cause than complaining against the provisions of the Bill. We will all get better dividends for those whom we represent if instead of providing for such a Rehabilitation Finance Administration we took steps to see that no such rehabilitation was needed at all.

I understand that persons from Eastern Bengal are coming just as they came from Sind and Western Punjab. Instead of providing for rehabilitation subsequently it would be much better if Government took steps to see that the properties of those who have left Eastern Bengal are properly protected, their properties are taken charge of by custodians or somebody else and they are kept safe. Secondly, I would submit that nature and nemesis being as they are I do not think the Government of India will be able to control the situation if such a large number of people came from Eastern Bengal. About 20 lakhs of them have already come. Either the exodus should be stopped so that further rehabilitation may not be needed or things may so shape themselves that with so many persons coming other persons who are living here may have to be displaced, not voluntarily but circumstances may compel them to do so. I am not in favour of such displacement but I feel that a situation may arise when it will be very difficult for the Government to control it and no solution except displacement of Muslims from Western Bengal may be possible. When refugees came from Western Punjab the authorities said that they had had no previous experience in the matter and it was beyond their ken to foresee. Now we have seen the shape and course of things—and we have got past experience. If no proper steps are taken by the Muslims of India, by the Government and by the Hindus to stop this exodus, I envisage a situation which would be very difficult for us to manage. Therefore I submit with folded hands to all persons concerned that the situation should not be ignored.

A few days ago when questions were put to the Honourable Minister for Relief and Rehabilitation, he said that officially the Government did not know how many came from Eastern Bengal. The papers say that about 20 lakhs have come but this number may be exaggerated. But at least not less than 15 lakhs have come. If there had been a peaceful exchange of populations between Eastern and Western Punjab the tragedies which we have witnessed would have been avoided and the money which we are spending today would have been spent for the betterment of the people of this land. All this money is being wasted and we are face to face with a situation which is difficult. It is high

time that steps were taken to see that between Eastern and Western Bengal there was a pacelul exchange of population.

I must humbly submit that unless and until the scope of this Bill is restricted to its present measure it will be difficult to give any relief at all. If the relief is to be extended to, say, one crore and fifty lakhs of people out of whom at least half may be taken to be engaging themselves in business and industry, how can you do it with only seven crores of rupees? Even if the amount is seven thousand crores it will be impossible to rehabilitate them in the manner and in the method which the Government of India have in view. It is only by stopping the exodus by giving relief where necessary that even the fringe of the problem can be touched. If you take the numbers alone I may assure my friends who have spoken before me that the number of displaced persons (Hindu) in Eastern Punjab will be much more than the few hundreds or thousands of people (Muslims) who have been displaced in some cities here like Delhi, etc. For them their houses are safe and the Government of India have done all that they possibly could. I am not complaining what the Government of India have done. I wish much more could be done for those who have suffered. But that is beside the point. I submit that when I have got only limited relief in my hands and when I have to choose between two classes of sufferers I will certainly give more relief to the man who is in greater need of it than distributing it or wasting it on people who, though suffering, have not equally suffered. This should be the view of my Muslim friends also. May I ask those gentlemen who belong to the Muslim League who come from Madras this question? Is there any Mussalman in Madras who has been displaced? Is there anyone whom they are representing here who has been displaced in Madras? Then why are they so anxious for these people? Only Because they are Mussalmans. I am not taking that attitude. I want to see every Mussalman helped. This is our creed; this has been Mahatma Gandhi's creed. Everyone who is a national of this country may be helped. At the same time, if I have got limited means at my disposal I would readily give more relief to those who are in greater need of it, whether they are Muslims or Hindus. I may submit that Hindus of Eastern Punjab have suffered much as compared to the Mussalmans of other parts of India. We are the original inhabitants of East Punjab. People have come in large numbers from Western Punjab and they have been given everything, houses, services and other facilities. There is no question of original nationals of this country. This sacrifice we have to make and suffer. We should receive displaced persons not as refugees, not as people belonging to another country. The argument was advanced that Muslims are the nationals of this country and therefore priority should be given to them in the relief. I entirely repudiate that argument. These refugees who have come are our kith and kin. They are as much nationals of this country as we are or the Muslims are. They are entitled to greater relief as they have suffered much more. The original Hindus of Eastern Punjab, I may submit, have sacrificed many things—we have asked them to stay even in our own houses. For instance in Delhi lakhs of them are staying. Our homes in Eastern Punjab have been requisitioned for them. We have all suffered though we are the nationals of this country. If they belonged to another country we may or may not have suffered for them so much but they are not strangers. In that spirit I ask the Mussalmans of India to suffer to a certain extent also. Let them treat these people in the same manner that they want to be treated. Let them treat these people like their brethren and not grudge the small relief by way of rehabilitation which they are getting. They are the nationals entitled to as much help and relief as other nationals of India. If the Government of India extend the scope of this Bill they will not be doing justice to these refugees to whom they are giving, I should say, only a very

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small measure of relief. What is seven crores of rupees? It is a drop in the ocean when you consider the numbers that have come and consider what they have lost. My humble submission is that the restricted scope of this Bill should not be extended.

**Shri B. P. Jhunjunwala** (Bihar: General): Sir, I do not want to take the time of the House. The object of the Bill, as I understand, is that it arranges assistance for such persons who cannot legally get any relief from the Government of India. If any wrong has been done or if anybody has been molested in civil disturbances in India, they can approach the Government of India or the Provincial Governments direct saying that such and such injustice has been done to them, that they have been ruined and they should be helped and the respective Governments have made necessary arrangements in the past and will do so in future too. But in the case of people from Pakistan who have been ruined there for want of any protection and assistance which they were entitled to have from Pakistan Government have come here and it is to provide relief to those persons that this Bill is going to be enacted.

The other point I want to make is that this is a Bill which is meant to provide relief to a particular class of persons. If we include in one Bill or in one enactment various things like giving relief to agriculturists, businessmen, persons who have been displaced in India, there will be great difficulty in administration. It is for facilitating administration that different Bills and different enactments and different arrangements are being made for giving relief to different kinds of persons.

As for the charge made by my Honourable friend Mr. Brajeshwar Prasad that this is a secular State and that the Congress is on test whether they are going to do justice to all concerned, Muhammadans and Hindus, or not, he has quoted Bihar. He says that great atrocities were committed in Bihar. He comes from Bihar and he knows about it. But I do not know whether he knows or does not know that Mahatma Gandhi himself went there and did a great lot for our Muhammadan brethren. I would just point out to the House a quotation from the speech of the Finance Minister of Bihar who said the other day:

"A scheme estimated to cost Rs. 2,60,00,000, has been prepared for the rehabilitation of Bihar refugees for expenditure over house-building, rehabilitation grants, free rations, cost of education and grants to widows and orphans. Loans free of interest are also being granted in deserving cases."

From this it will appear, Sir, that necessary steps have been taken timely, and still everything is being done in order to give relief to all the Muhammadan brethren in Bihar whoever have suffered. It is a matter of great regret that here communal questions are being raised. There is no question of Hindus or Muhammadans here. Such things should not be allowed here. Ours is a secular State and the honesty and the sincerity of the India Government cannot be questioned as has been done by my Honourable friend Mr. Brajeshwar Prasad.

**Shri Brajeshwar Prasad**: On a point of order, Sir. I have never questioned the sincerity of the Government of India. I know very well that the Government of Bihar has done its level best for those who have suffered in Bihar. What I wanted to say was that as a matter of principle it is not desirable to exclude certain classes of persons from the scope of the proposed legislation. Beyond this I never meant anything.

**Mr. R. K. Sidhva** (C. P. and Berar: General): Mr. Speaker, Sir, I had no mind to speak on this subject because whatever views I wanted to express I have expressed in the Select Committee and I feel that the Bill has come out very satisfactorily from the Select Committee. But I am obliged to make some remarks on account of a little communal colour that has been given to this Bill,

which I really deplore. It is true that there are lakhs of non-Muslims from East Bengal who have migrated, and nearly six lakhs of Hindus from Sind have migrated into the various parts of India. Notwithstanding that when I went into the Select Committee it created a clear impression in my mind that this Bill was purely meant for the Punjab refugees because they have suffered immensely. They have been evacuated wholesale from Western Punjab to Eastern Punjab. The Government at a high level took this matter into their hands. Government felt it their duty that they should be supported and Government is therefore perfectly justified in bringing forward a Bill of this character and if a larger number of people from the Punjab stand to benefit by this Bill, it is because they suffered the most and have lost everything. Now it is stated that the provisions of this Bill should be extended to give relief to other classes of persons, those other than non-Muslims who are residing in India. One factor has been forgotten by my Muslim friends which I would like to impress upon them. I have great sympathy for them. There is no question about it that we all do feel they have also suffered, but they must remember that the non-Muslims who have left the Punjab have no hold there; crores of rupees worth of property, both movable and immovable, are left there, and today it is for them a foreign country and they cannot have any access for the restoration of their property, whereas persons who are residing in India, certainly have an opportunity of representing the matter to the Government of India, they can represent their case to them; they can go to a court. All that is open to them. The unfortunate residents of Pakistan who have come to India have no such opportunity left to them, whether legal or any other opportunity, and therefore Government really ought to be thanked for coming to their assistance. That is one factor.

The second factor that I want to clear up is that my Muslim friends think that this measure is only meant for Hindus because Hindus suffered. I have never stated before anywhere in public to anybody, but I am obliged to state today that the Parsis have suffered also in Western Punjab. The Parsis, as you know, only number a lakh out of a population of 40 crores, 30 crores of Hindus and 10 crores of Muslims, and apart from the very large population in the Bombay Province, very many are scattered throughout India; nearly 2,500 souls resided in undivided Punjab, including Delhi; and as it was customary for this community, they had provision and liquor shops. I will give illustrations to show how the Parsis suffered. In Rawalpindi there was a Controller of Railways, a high officer drawing about Rs. 1,200 as salary. His sin was that he opted out for India, and what is the story behind it? The story is that an evacuee train was coming from Rawalpindi to Lahore side and the Controller, who is supposed to control the train did not give the signal for the evacuee train until a goods train which was ahead reached that station. He halted that train at one of the way side stations. Some of the passengers in that train were killed and the bogey was brought that this Controller intentionally halted that train to massacre the Muslims. And then when he opted out for India a handbill was posted on his building 'Your fate is coming, you are going to India.' Poor fellow had packed up his things to leave for India, but on the previous day he and his wife were killed. His sin was that he opted out for India and Sir, a false bogey was brought up against him. As we all know he was Controller of Railways. He would have failed in his duty if he had not stopped that train. Otherwise there would have been a collision. But he was massacred.

Another Parsi was coming from Karachi to Lahore. He was at Multan. He was threatened that he would be killed. He showed his sacred threat. They said give us all the property. He gave all his property and he came with only

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a shirt and a pyjama. There were two Parsi families travelling from Rawalpindi to Bombay who were killed between Pindi Lahore in that train. There were some Parsi families in Gurdaspur and Pathankot, running a liquor shop. Thinking it was a Muslim shop, they were looted and the husband was killed, and the poor widow is today without any kind of livelihood.

I would ask my Muslim friends not to go away with the impression that this is a communal Bill. I felt it very much when I saw that communal colour was given to it and I hate that this thing should have been brought about. It is a secular state beyond any doubt. I have much to do with Bombay these days after having come out and when I go to Bombay I am so very happy to see that Muslims are trading there freely: Hindus and Muslims there are partners: in trade they are also in service, and I said to myself what a pity that in my province I cannot find any non-Muslim working so freely as the Bombay Muslims do.

**Shri M. Ananthasayanam Ayyangar:** Shame.

**Mr. R. K. Sidhva:** That is the position. My friends can come with me to Bombay and I will show to them. I have many Muslim friends in Bombay who have been resident there for long ages. Thousands of Muslims are doing business, hundreds of them are partners in business, and they are freely walking about in the streets of Bombay, and it is a pleasure to see both communities working together, and I felt it a great pity that the people in my province are not allowed to lead such a happy life. This is the state of things. If you want support, our Government is equally eager to support Muslims. I have no doubt about that, but I am sure if this provision is extended, the object will be frustrated. I said the same thing in the Select Committee and I repeat it here. The Parsis who have also suffered would then come under the provisions of this Bill but they will not take any help not because they do not need it but the Parsi community feel that those who have suffered more should be given preference, and there are in the Parsi community well-to-do people who will support these unfortunate persons. In my opinion they are giving every help, but that must not be understood to mean that the Parsis have not suffered. Therefore I would appeal to my friends not to bring in a communal colour. I have worked actively with the Muslims, I do not want to blame anybody. Something good may come out of the evil, but let us at least now, after having suffered so much, resist from harping upon communal matters. The Government have come forward with a fine measure to help people in distress. If there are Muslims in Delhi who have suffered, they have all avenues open to them—they can appeal to the Government of India, to the court, to everybody who may be concerned. What avenues have our friends who have come from the Pakistan areas in those areas? Let my friends tell me what opportunity we have got who have come out from there? None whatsoever: and for this reason Government felt it their duty to come to their rescue. As far as the Sind Hindus are concerned, they are scattered all throughout the province. Some have come to Delhi and they will require relief, but they will be too glad, I know, if the Punjab friends are given greater help because they have suffered most. Why have you brought this communal matter here unnecessarily? If you take a dispassionate view about this matter, you will feel that is a Bill on which we ought to be proud of our government (hear, hear). That is, Sir my view point and I want to impress that upon my Muslim friends. If they have any doubt about it, let it be dismissed from their minds. I am very glad about this Bill because it gives me pleasure really to see that you work with us and I wholeheartedly feel that this is our country, everybody's, we want to work with you, you should work with

us: I gave you the illustration of Bombay. Create that kind of impression in the Punjab, Sind, and Bengal, and you will see what a fine result you would create. But, Sir, as my friend Pandit Bhargava stated and also Mr. Ananthasayanam Ayyangar, what are you doing and what have you done in Madras?

Nothing has happened in Madras. But what have you done in Bengal? What have the Mussalmans done in Sind? Kindly let me know. If you are blaming us in this Assembly, I should have understood that if you have had a fine record of what you have done for our brethren in Pakistan—I could have appreciated that much. Neither have you done anything, nor your brethren, you have left in the lurch these people, your own co-Indians—they are Indians, P. M. you cannot say they are not your brethren. They have suffered and the State is doing something, something very little, which it feels it should do.

Therefore, Sir, while whole-heartedly supporting this Bill, I would desire that if there is any doubt in the mind of the Honourable Mover of the amendment, he should dispel it. He stated that he had nothing of it, but I wish every one of them to say and honestly feel, sincerely and clearly, that they do not feel that there is any kind of injustice done to their community. I will be glad, I will then be too glad. Merely stating now that they feel that the Bill is really a good measure will not go a great way ahead. The heart must come out; if the heart comes out, then you will find it; you will find in India all this trouble and misery which we have created—you have created and we have created. I do not want to go into the story, but I only desire that that kind of thing should be buried and should not be repeated in this House; this Government which is a Government for everyone irrespective of caste and creed should bring in a measure for the benefit of only one community is unthinkable. Sir, that impression should be removed once and for all from their minds.

**Shri K. Santhanam:** Sir, I wanted to point out only one thing in this. This is not a Bill to afford relief to refugees at all. For individuals who have suffered in communal disturbances there have been other measures, whether they moved from Province to Province, State to State or from Pakistan to here. This Bill is intended to rehabilitate refugee industry and business. There are lots of talented businessmen who have been driven out of their normal business, who have had to come over to India; it is to rehabilitate them and to convert their talents into national assets that this Bill is introduced. I do not think that the displaced persons from Province to Province or State to State come in here at all. They are individuals who may require relief in some manner or otherwise. But here we are dealing with a situation as if it was created by war or by some great calamity. During the war, when the Indians came over from Burma to India, the Central Government gave relief. But when Madrasis ran away from Madras because there may be a Japanese invasion, I do not think, my Honourable Friend would say that they stood in the same position as the Indian refugees from Burma.

This is a cataclysm which has happened. It is to provide for that cataclysm that this measure is brought forward. Why do they want to drag in other considerations?

**Pandit Lakshmi Kanta Maitra:** The Madras Government evacuated only on rumour.

**Shri K. Santhanam:** Any way they evacuated and they suffered just as many of our Mussalmans have who have gone from Delhi to Madras, etc.

**Prof. N. G. Ranga (Madras: General):** That was not even a rumour.

**Shri K. Santhanam:** Therefore, Sir, these things should not be confused. This should be treated as an exceptional measure. We have already passed the Industrial Finance Corporation Bill which is available to all persons, to all communities and to the normal residents of India, for development of industries.



[Shri K. Santhanam]

But this measure is an extraordinary provision for an extraordinary contingency and to forget the extraordinary conditions and argue as if it was a communal scramble, is to degrade the entire level of the debate. I submit this point should not be pressed at any time during the debate of the Bill and that we should proceed with the Bill.

**Shri Khurshed Lal (U.P.: General):** Sir, as one who has, both in the Select Committee as well as in this House, advocated the enlargement of the scope of the definition of "displaced persons" in this Bill, I must confess that I was both considerably surprised and pained at the turn which the debate took this morning. Sir, to doubt the *bona fides* of the Indian Government or of the Government of any of the Provinces, so far as communal matters are concerned, is I submit simply fantastic. I come from a District which has been the scene of serious communal disorders in September and October, last. I have seen Congressmen risking their lives, putting their all in jeopardy, in order to save their Muslim brethren. I have seen Hindu officers going all out, facing ordeals, killing their own co-religionists, in order to save Muslims of that place. After that, Sir, to accuse the Congress or the Congress Governments of communalism, is I submit ... ..

**Kazi Syed Karimuddin:** Nobody has accused.

**Shri Khurshed Lal:** .....I am glad that that point was cleared when the Assembly re-assembled. The whole point is this, that this question should not be looked at at all from the point of view of Hindu or Muslim. All that we want is—at least that is what I want—that some relief should be afforded to those persons, to whatever religion they might belong, I do not care, to those who belong to this Dominion—unfortunately, Sir, we are divided into two Dominions, and we have to distinguish that way—but all that I wanted was that some relief should also be afforded to those who were living in this Dominion but who were the victims, for no fault theirs but for being dupes of others, and who, as a result of communal frenzy which spread, suffered. I wanted them to be helped. The Honourable the Finance Minister this morning gave an assurance that they will be helped by the Provincial Governments and that if the Provincial Governments find that their resources are not enough and they come for help to the Central Government, that help will be afforded to them. I am sure what the Honourable the Finance Minister said about the Provincial Governments also applies to the centrally administered areas, and the centrally administered areas will afford the same relief to those persons who have suffered here.

It is not as though help is not being afforded. I have seen hundreds of Muslims who have been uprooted being rehabilitated. In my District where many of their houses have been burnt they are being helped to re-build them. The Provincial Government is helping them. We have given help in the shape of building material, in the shape of *taccavi* loans in the shape of free seeds, etc. I am sure this matter has now been brought to the attention of the Honourable Minister and after the assurance of the Honourable Minister, help will be afforded to the Muslim citizens of India who are uprooted and who have suffered. I should have thought that after that assurance the amendments would have been withdrawn. At least that was the reason why I did not move the amendment which was standing in my name. After all it is, I am sure, nobody's purpose to make any political capital out of this controversy but the object is to afford relief to those who have suffered whether inside India or outside India. If the Honourable the Finance Minister thinks that this Bill should be restricted only to those who come from outside and, as he has assured us this morning, that relief will be afforded to those who have suffered inside the country, I think the wiser course for my friends here would have been not to move their amendments or in any case to withdraw them.

One thing more, Sir, I would like to say here. It is time that this House ceased to hear any more about communal colour being given to various questions which come before it. We have suffered enough on account of that. My friends who today talk of justice to Muslims, up till yesterday were leading a campaign of hate and I am sure by now they realise that it was that campaign of hate carried on by them which has resulted in enormous injuries inflicted on both Hindus and Muslims in this Dominion and in the other. We are talking, Sir, of relief and rehabilitation. I would ask my Honourable friends, let them leave the interests of the Muslim citizens in our hands. We have protected them during the last year and we shall protect them from any harm, but they have more influence than we have in the Dominion of Pakistan. They were instrumental in creating it. We are now getting the exodus from Eastern Bengal and if that exodus continues in the huge proportions that the exodus from Western Punjab did,—there are about a crore and twenty lakhs of Hindus in Eastern Bengal—if they all have to get out from their homes, then whatever the Congress may try, whatever the Government may try, it will be impossible to face the consequences and the evil that may flow from that exodus to this side. I would therefore beg of them, instead of wasting their time here, instead of accusing people here of communalism, let them go to Eastern Pakistan, exercise their influence there, tell the people there that already enough mischief has been done in this country by this propaganda of hatred. "Stop it for Heaven's sake and give the Hindus there equality with the Muslims." If they do that, then I can assure them that the Muslims in this part will be safe.

**Prof. N. G. Ranga:** Even otherwise they are safe.

**Shri Khurshed Lal:** We are determined to stand by and do our duty. We will, irrespective of what is done in the Dominion of Pakistan to the Hindus, stand by the Muslims and see that no harm comes to them, but our task will be made easier if our friends here who have influence in Pakistan, instead of preaching non-communalism here, go there and do it for us.

**Shri Mohan Lal Saksena (U P.: General):** Sir, I move:

"That the question be now put."

**Mr. Speaker:** The question is:

"That the question be now put."

The motion was adopted.

**Mr. Speaker:** There are three amendments, one by Mr. Santhanam, one by Kazi Syed Karimuddin and one by Sjt. Brajeshwar Prasad.

**Shri Brajeshwar Prasad:** Sir, I beg leave to withdraw my amendment.

**Mr. Speaker:** Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

**Haji Abdus Sattar Haji Ishaq Seth:** By the way, Sir, does not the Honourable Minister wish to say anything?

**Mr. Speaker:** Does he wish to say anything? I should have asked him before. I thought he accepted Mr. Santhanam's amendment.

**The Honourable Shri R. K. Shanmukham Chetty:** Yes, Sir. I do not wish to say anything.

**Mr. Speaker:** Then, of the two amendments, does Mr. Karimuddin wish to place his amendment before the House for its vote?

**Kazi Syed Karimuddin:** Sir, in view of the assurances given by the House that the interests of the Muslims who have been displaced will be looked into by the Provincial Governments, I beg to withdraw my amendment.

**Mr. Speaker:** The Honourable Member Mr. Karimuddin wishes to have leave of the House to withdraw his amendment. Does he have the leave?

**Prof. N. G. Ranga:** No, Sir. I do not think the House has given or can give any sort of assurances to my Honourable friend.

**Mr. Speaker:** There is one objection against leave being granted. So I shall have to put the amendment to vote.

**An Honourable Member:** Yes, Sir. We can vote it down.

**Mr. Speaker:** It is not my concern whether it is voted on favourably or unfavourably, but I must put it to the House.

**Haji Abdus Sattar Haji Ishaq Seth:** I think, Sir, the question before the House is whether he should be allowed to withdraw his amendment or not, and not a vote on his amendment. He has already withdrawn his amendment.

**Mr. Speaker:** That is not the question. As the Honourable Member knows, the practice is that requests for withdrawal are put to the vote of the House, and even if there is one dissentient voice—and in this case there is one dissentient voice about withdrawal—I have no other alternative but to put the original amendment to the vote of the House.

**Haji Abdus Sattar Haji Ishaq Seth:** Is it the amendment, Sir, or the permission to withdraw that is put to the House?

**Mr. Speaker:** Permission to withdraw is never put to the House, as other questions on motions.

**Shri L. Krishnaswami Bharati (Madras: General):** Very probably, Sir, if the Honourable Member withdraws his amendment unconditionally, without making any reservation as he has done, the House may agree to give him leave.

**Prof. N. G. Ranga:** Yes. My objection is to his reservation that Muslims will be protected and so on. If he withdraws unconditionally, then the House as a whole might permit him to withdraw his amendment.

**Mr. Speaker:** That is for the Honourable Member to consider.

**An Honourable Member:** Kindly put the amendment to the House, Sir.

**Mr. Speaker:** But before I put it to the House, I may just ask the Honourable Member who moved the amendment whether, in view of the suggestions made he withdraws it unconditionally.

**Kazi Syed Karimuddin:** I never made any condition. I have withdrawn without any condition.

**Dr. B. Pattabhi Sitaramayya (Madras: General):** I never thought that he made any condition. I thought he merely explained why he withdrew.

**Prof. N. G. Ranga:** That is exactly the difficulty. It is the explanation which I object to.

**Mr. Speaker:** Whatever it may be, I find that there are differences of opinion in the House. So I shall put the amendment to the vote of the House.

The question is:

"That in part (d) (i) of clause 2 of the Bill, after the word 'area' the words 'in or' be inserted."

The motion was negatived.

**Mr. Speaker:** I now put to the House the amendment by Mr. Santhanam. The question is:

"That for part (d) (i) of clause 2 of the Bill, the following be substituted:

"(i) a person who, being displaced from any area outside India on account of civil disturbances or fear of such disturbances, has settled and is engaged or intends to engage in any business or industry in India, or."

The motion was adopted.

**Shri M. Ananthasayanam Ayyangar:** Sir, I beg to move:

"That in part (e) of clause 2 of the Bill, the words 'for business and industry' be added at the end."

With your permission, Sir, I want to substitute the word 'or' for the word 'and', so that the amendment will read "for business or industry".

This is a simple amendment. The object of the Bill as stated earlier in the Preamble is to enable displaced persons to start business or industry. In the body of the Bill there is no provision insisting that loans ought to be utilised for that purpose only. In the definition portion of the loan, I seek by this amendment to add the purposes for which the loan may be granted, namely, for business or industry. That is the object of the amendment. I urge upon the House to accept it.

**Mr. Speaker:** Amendment moved:

"That in part (e) of clause 2 of the Bill, the words 'for business or industry' be added at the end."

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Speaker:** The question is:

"That in part (e) of clause 2 of the Bill, the words 'for business or industry' be added at the end."

The motion was adopted.

**Mr. Naziruddin Ahmad:** Sir, I wish to move my amendment. This is going to be accepted. Sir, I beg to move:

"That to part (e) of clause 2 of the Bill, the word 'and' be added at the end."

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Speaker:** The question is:

"That to part (e) of clause 2 of the Bill, the word 'and' be added at the end."

The motion was adopted.

**Mr. Speaker:** The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

**Mr. Naziruddin Ahmad:** I beg to move:

"That in sub-clause (2) of clause 3 of the Bill, for the word 'Corporation' the word 'Administration' be substituted."

Sir, the name of the Corporation is Rehabilitation Finance Administration. It has been made clear that it is a corporation. In sub-clause (2) at the beginning it is said: "The Corporation shall be a body corporate." In other places the word "Administration" has been used, as for instance, in clause 3, sub-clause (1) in line 2, it is described as Administration.

**The Honourable Shri R. K. Shanmukham Chetty:** No, Sir. Sub-clause (1) of clause 3 reads: "The Central Government shall constitute a Corporation called" "and the Corporation shall be a body corporate, etc."

**Mr. Naziruddin Ahmad:** The word 'Administration' has been used all through. I beg to draw the attention of the House to clause 4, sub-clause (1), line 1 where it is described as 'Administration'. Then again in sub-clause (2) of clause 4 the word "Administration" has been used twice. It has been so used in many other places also.

**Mr. Speaker:** The Honourable Member will see that there is this difference. Here in clause 3, sub-clause (1) it is said that a Corporation shall be constituted and in sub-clause (2), the Corporation is being given a name and therefore the word "Corporation" is used. It is all very well to say "The Corporation shall be a body corporate by the name of the Rehabilitation Finance Administration" and it would not be so nice to say that the "Administration" shall be a body corporate by the name of the Rehabilitation Finance Administration". That is what the Honourable the Finance Minister has pointed out.

**Mr. Naziruddin Ahmad:** In that case I am not pressing the amendment.

**Mr. Speaker:** So then, I am not putting it to the House.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That in sub-clause (2) of clause 3 of the Bill, for the words 'acquire and hold', the words 'acquire, hold and transfer' be substituted."

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Speaker:** The question is:

"That in sub-clause (2) of clause 3 of the Bill, for the words 'acquire and hold', the words 'acquire, hold and transfer' be substituted."

The motion was adopted.

**Shri M. Ananthasayanam Ayyangar:** Sir, I beg to move:

"That after sub-clause (2) of clause 3, of the Bill, the following new sub-clause be added:

(3) The Administration shall have its head office at Delhi and may with the previous approval of the Central Government, open branches at such places in India as it may consider necessary to discharge effectively its functions under this Act."

Sir, so far as the head office is concerned, a Corporation must have its head office somewhere. As Delhi is the seat of the Capital, its head office will naturally be here and it is close to the Punjab. Also it might be necessary that branches will have to be opened at Calcutta and other places. So this amendment gives power to the Administration to open a number of branches with the approval of the Government.

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Speaker:** The question is:

"That after sub-clause (2) of clause 3, of the Bill, the following new sub-clause be added:

(3) The Administration shall have its head office at Delhi and may with the previous approval of the Central Government, open branches at such places in India as it may consider necessary to discharge effectively its functions under this Act."

The motion was adopted.

**Mr. Speaker:** The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

**Shri C. Subramaniam:** Sir, I beg to move:

"That in part (a) of sub-clause (1) of clause 4 of the Bill, for the word 'the' where it occurs for the first time, the word 'a' be substituted."

Sir, the word "Chairman" is referred to for the first time there and therefore the appropriate article would be "a" and not "the".

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Speaker:** The question is:

"That in part (a) of sub-clause (1) of clause 4 of the Bill, for the word 'the' where it occurs for the first time, the word 'a' be substituted."

The motion was adopted.

**Mr. Speaker:** The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

**Shri M. Ananthasayanam Ayyangar:** Sir, I beg to move:

"That to sub-clause (1) of clause 5 of the Bill, the following be added at the end:

'and may where necessary constitute a Regional Committee to advise each branch of the Administration'."

Sir, this is practically consequential. Before my amendment was accepted there was no indication that the Government may open branches. It had the power to open branches but there was a Central Advisory Board to advise on the constitution with a membership of 15 persons, all to be nominated by the Central Government. Branches may be opened anywhere, one may be in the East Punjab and another in West Bengal. To advise that branch it might be open to the Government to nominate a regional Committee and that is the object underlying my amendment.

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Speaker:** The question is:

"That to sub-clause (1) of clause 5 of the Bill, the following be added at the end:

'and may where necessary constitute a Regional Committee to advise each branch of the Administration'."

The motion was adopted.

**श्री लक्ष्मी नारायण साहू :** सभापति जी, मैं यह संशोधन का प्रस्ताव रखना चाहता हूँ कि :

"That for sub-clause (2) of clause 5 of the Bill, the following be substituted :

'(2) The Advisory Board shall consist of one member from each Province'."

इस संशोधन के प्रस्ताव के देने से मेरा यह मतलब है कि जब हर एक प्राविन्स (province) में थोड़े थोड़े आदमी पंजाब से जाते हैं, मैं सुनता हूँ कि उड़ीसा में भी दो हजार या दो हजार से ज्यादा शरणार्थी गए हैं, तो यह अच्छा होगा कि हर एक प्राविन्स (province) का एडमिनिस्ट्रेशन (administration) के साथ ताल्लुक रहे। अगर यह नहीं रहेगा तो वहाँ का काम अच्छा नहीं चल सकता। इस लिये मैं इतना ही प्रस्ताव करता हूँ कि (५) का जो सब-क्लाज (Sub-clause) है उसको बदल कर ऐसे रखना चाहिए :-

"The Advisory Board shall consist of one member from each Province."

इससे यह होगा कि कम से कम एक आदमी हर प्राविन्स (province) में से लिया जायगा और जब पंजाब से और किसी प्राविन्स (province) से ज्यादा मेम्बर लेने होंगे तो १५ से ज्यादा मेम्बर भी लिये जा सकते हैं। उसमें कोई अड़चन नहीं है। लेकिन कम से कम एक आदमी एक प्राविन्स से जरूर लेना चाहिए। यह

[श्री लक्ष्मी नारायण साहू]

जब तक नहीं लिये जायेंगे तब तक लोग क्या सोचेंगे कि एक ही प्राविन्स (province) से सब चुने जाते हैं। सब कामों में और खास कर इस काम में इन्क्रीज़िंग एसोसिएशन (increasing association) हर एक प्राविन्स (province) का होना चाहिए। इसमें और सब प्राविन्स (province) भी समझेंगी कि इतनी बड़ी आफत हमारे देश के ऊपर आई थी और हम लोग इस बोझ को उठाने के लिये सब कुछ कोशिश करते हैं इसलिये मैं चाहता हूँ कि यह जो संशोधन का प्रस्ताव मैंने दिया है उसको हाउस मंजूर कर ले।

*(English translation of the above speech)*

**Shri Lakshminarayan Sahu** (Orissa: General): Sir, I move:

"That for sub-clause (2) of clause 5 of the Bill, the following be substituted:  
'(2) The Advisory Board shall consist of one member from each Province'."

The object of my moving this amendment is that when refugees from the Punjab are going into every province—I hear Orissa has also received over two thousands of them—it would be better if the Centre keeps in touch with the administrations of the provinces. If it does not, the provinces will not be able to do their work properly. I, therefore, move that for sub-clause (5) the following be substituted:

"The Advisory Board shall consist of one member from each province."

This means every province will have at least one representative. When it is required to have more representatives of the Punjab or of any other province the number can be increased beyond fifteen. There is no hitch about it. But there should be at least one representative of every province. So long this is not done people will think it to be exclusively a monopoly of one province. All works, especially this, require an increased association of all the provinces. This will enable all other provinces to appreciate the magnitude of the catastrophe that has befallen our country and we spare no pains to shoulder this responsibility. I, therefore, wish the House should accept my Amendment.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I do not accept the amendment.

**Mr. Speaker:** The question is:

"That for sub-clause (2) of clause 5 of the Bill, the following be substituted:  
'The Advisory Board shall consist of one member from each Province'."

The motion was negatived.

**Mr. Speaker:** The question is:

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That sub-clause (1) of clause 6 of the Bill, be omitted and the subsequent sub-clauses be renumbered accordingly."

Sir, I submit that this sub-clause is unnecessary. It is not my case that there should be no provision to this effect, but the provision is implied by the provisions of the General Clauses Act. Sir, sub-clause (1) reads as follows:

"A member appointed under clauses (a) and (b) of sub-section (1) of section 4 shall hold office during the pleasure of the Central Government."

My contention is that according to the General Clauses Act any authority which has the power to make any appointment has also the power to dismiss, suspend and the like: so the power of removal would be clearly implied. I think I should read section 16 of the General Clauses Act, as the matter constantly comes up before the House. That section reads as follows:

"Where, by any (Central Act) or Regulation, a power to make any appointment is conferred, then, unless a different intention appears, the authority having (for the time being) power to make the appointment shall also have power to suspend or dismiss any person appointed (whether by itself or any other authority) in exercise of that power."

The condition that they hold office during the pleasure of the Central Government implies that when they incur the displeasure of the Central Government that Government has the right to remove them. Any man who is appointed by a particular authority holds that office during the pleasure of that authority. The sub-clause is thus unnecessary.

**Shri K. Santhanam:** I do not think, Sir, that is the correct interpretation. What this clause really means is that the Central Government shall not appoint the members specified in clauses (a) and (b) of sub-section (1) of Section 4 for a fixed term. I think the provisions of the General Clauses Act should not be brought in here.

**Shri M. Ananthasayanam Ayyangar:** Sir, what I feel is this. Here the words "appointed" and "nominated" are used though both technically mean the same thing. The word "appointed" is used in the case of officials, while the word "nominated" is applied in the case of non-officials. Accepting the interpretation of the General Clauses Act, does my Hon'ble friend Mr. Naziruddin Ahmad mean to suggest that the Central Government can do away with the nominated members. It is no doubt a fact that the authority which makes an appointment has the right of removal—I do not deny that. But the right of extinction does not go with the right of creation. All of us are the sons or daughters of our fathers, but our fathers have no right to destroy us. Assuming this interpretation to be correct, my Honourable friend's amendment is superfluous: if my assumption is not correct it is unnecessary.

**The Honourable Shri R. K. Shanmukham Chetty:** I cannot accept the amendment Sir.

**Mr. Speaker:** I may just say what strikes me, though I do not want to interfere in the course of the discussion. Power of appointment, no doubt includes power of dismissal. Even if the authority of dismissal is conceded, still, the question will remain as to whether that dismissal should be conditional or unconditional, or under what circumstances and in what manner. All those questions remain open if the interpretation of the General Clauses Act is taken into consideration. Here the appointment is during the pleasure of the Central Government and the difference seems to be very clear to me. Does the Honourable Member want to press his amendment?

**Mr. Naziruddin Ahmad:** I do not want to press my amendment, Sir.

**Shri M. Ananthasayanam Ayyangar:** Sir, I move:

"That in sub-clause (3) of clause 6 of the Bill, for the words 'Chief Administrator' the words 'Central Government' be substituted."

As the appointment is made by the Central Government I want that the letter of resignation should be sent to the Central Government. Further, on the occurrence of a vacancy it is the Central Government that will fill up the vacancy. So there is no purpose in sending the letter of resignation to the Chief Administrator. Sir, I move.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.



**Mr. Speaker:** The question is:

"That in sub-clause (3) of clause 6 of the Bill, for the words 'Chief Administrator' the words 'Central Government' be substituted."

The motion was adopted.

**Mr. Speaker:** The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clauses 7 and 8 were added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I move:

"That in clause 9 of the Bill, for the words 'shall devote his whole time to the affairs' the words 'shall be a whole time servant' be substituted."

Devoting the whole of his time to the Administration is impossible. Sir, I move.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Speaker:** The question is:

"That in clause 9 of the Bill, for the words 'shall devote his whole time to the affairs' the words 'shall be a whole time servant' be substituted."

The motion was adopted.

**Mr. Speaker:** The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

**Shri M. Ananthasayanam Ayyangar:** Sir, I move:

"That in part (c) of clause 10 of the Bill, after the word 'remuneration', the words 'and allowances' be inserted."

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Speaker:** The question is:

"That in part (c) of clause 10 of the Bill, after the word 'remuneration', the words 'and allowances' be inserted."

The motion was adopted.

**Mr. Speaker:** The question is:

"That clause 10, as amended, stand part of the Bill."

The motion was adopted.

Clause 10, as amended, was added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I move:

"That in sub-clause (1) of clause 11 of the Bill, the words 'of rupees', be added at the end."

The sub-clause says that the Central Government may advance 'ten crores' but it is not clear whether it is ten crores of rupees or annas or pies. The Honourable Minister did not initially agree to this amendment but I know he is ready to accept amendments which are really necessary, Sir, I move.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Speaker:** The question is:

"That in sub-clause (1) of clause 11 of the Bill, the words 'of rupees', be added at the end."

The motion was adopted.

**Mr. Speaker:** The question is:

"That clause 11, as amended, stand part of the Bill."

The motion was adopted.

Clause 11, as amended, was added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I move:

"That in part (a) of clause 12 of the Bill, the words 'of rupees' be added at the end."

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Speaker:** The question is:

"That in part (a) of clause 12 of the Bill, the words 'of rupees' be added at the end."

The motion was adopted.

**Shri K. Santhanam:** Sir, it is here provided that as individual banks, only Scheduled banks can advance money which can be guaranteed by the Administration. It can also guarantee money advanced by Syndicates of Banks. A large number of very rickety banks can join together and form a syndicate and then demand from the Administration that its advances should be guaranteed. So I wanted to provide that it must be a Syndicate of Scheduled Banks but it was pointed out to me that this would give rise to difficulties. I therefore suggest that in the Rules provision should be made to scrutinise the financial basis of such Syndicates and wherever possible at least one or two Scheduled Banks should be associated with such a Syndicate.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I can give that assurance.

**Shri M. Ananthasayanam Ayyangar:** Sir, under clause 12 ten crores may be advanced—(i) seven crores directly under sub-clause (a); (ii) one crore by way of rediscounting under sub-clause (b); and (iii) two crores by way of guaranteeing part of the losses accruing from advances by Scheduled and other banks to any of these displaced persons, under sub-clause (c). In the last line but one we have these words: "provided that the maximum liability incurred under such guarantees shall not at any time in the aggregate exceed two crores of rupees." I wanted the omission of the words "at any time". The difficulty is that the particular loan at the time may not be recoverable, in which case the loss would have accrued and would have been made. Take the case where 3 to 4 lakhs have been loaned. One lakh is guaranteed. To that extent the loss would have accrued. Thereafter 'at any time' would mean the company could guarantee to the extent of Rs. 2 crores. I do not believe this is meant. On the aggregate losses would extend up to two crores. The administration is authorised to undertake the liabilities. Therefore, the words 'at any time' give room for the administration to go on lending. At any time they should not undertake a loss of two crores. We agree with the clause in substance but I want to know whether the words make any such difference as I am trying to point out. Otherwise I have no objection to it. Even now it is not too late for him to forego or remove those words.

**The Honourable Shri R. K. Shanmukham Chetty:** The amount of two crores is indicated as the maximum limit of the guarantee so far as that class of business is concerned. It is certainly not the intention of the Government to permit the administration to incur an actual loss of two crores on that class of business. In fact if the amendment in the form in which my Honourable friend wants it to be incorporated is included, it might give room to that conception that we are prepared to allow losses in that category of business. Naturally what will happen is this. We do not expect that the Corporation should make any loss. But where losses are made they must be few and far between; and if the administration goes on incurring losses in this class of business, then Government will have to intervene and issue necessary instructions.

**Mr. Speaker:** The question is:

"That clause 12, as amended, stand part of the Bill."

The motion was adopted.

Clause 12, as amended, was added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I move:

"That in sub-clause (1) of clause 13 of the Bill, the words 'from time to time' be omitted."

The relevant portion in the Bill reads:

"The Central Government may, from time to time, prescribe the limits as to amounts within which loans may be advanced by the Administration."

This sub-clause gives power to the Central Government to prescribe the limits. I submit whenever a power is given, the power obviously may be exercised 'from time to time as the occasion arises'. It is not necessary to specify on every occasion that the power may be exercised 'from time to time'. In fact, unless anything is said to the contrary limiting the exercise of the power to one specific occasion, it may, in every case, be exercised from time to time as occasion arises and the authority is given in the General Clauses Act. Section 14 of that Act says:

"Where by any Central Act or regulation made after the passing of this Act, any power is conferred then unless a different intention appears that power may be exercised from time to time as occasion arises."

In these circumstances, had there been the appointment of a particular man for a particular job only for a particular occasion, probably the power would be exhausted by making the appointment once. The Central Government here may prescribe certain limits. So I think that the power can be exercised at any time as and when occasion arises is clearly implied. So these words are unnecessary.

**The Honourable Shri R. K. Shanmukham Chetty:** I cannot accept the amendment.

**Mr. Speaker:** The question is:

"That in sub-clause (1) of clause 13 of the Bill, the words 'from time to time' be omitted."

The motion was negatived.

**Kazi Syed Karimuddin:** Sir, I move:

"That in sub-clause (1) of clause 13 of the Bill, the following be added at the end:

'but in the case of an individual other than company, association or body of individuals, the amount of loan shall not exceed Rs. 25,000.'"

The object of this amendment is that in view of the number of displaced persons who will be entitled to take financial assistance is very great, no individual should get more than Rs. 25,000 loan. In my opinion our consideration should be that the maximum number of refugees gets the benefit of this, otherwise the very purpose of this Bill would be defeated. Therefore I submit that the loan that should be advanced to an individual should not exceed more than Rs. 25,000.

**Mr. Speaker:** Amendment moved:

"That in sub-clause (1) of clause 13 of the Bill, the following be added at the end:

'but in the case of an individual other than company, association or body of individuals, the amount of loan shall not exceed Rs. 25,000.'"

**The Honourable Shri R. K. Shanmukham Chetty:** I do not like the idea of prescribing the maximum limit of the loan in the Act itself. As I mentioned in my opening remarks, it is my intention to issue instructions to the administration that the maximum limit of loans in the case of individuals should be Rs. 50,000 and in the case of companies Rs. 1 lakh. But I fully agree with my Honourable friend that our attempt and aim should be to spread out this assistance as widely as possible, and for that purpose I certainly would like the amount of the loan to be restricted. But it is quite conceivable that in certain cases a group of individuals may join together and advancing them Rs. 50,000

may be tantamount to helping 25 people with that money. In addition to giving this instruction, I propose to issue a general instruction of policy that as far as possible the aim should be to give small loans so that the help may be spread out.

**Kazi Syed Karimuddin:** In that case I beg leave to withdraw my amendment.

**Mr. Speaker:** Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

**Shri M. Ananthasayanam Ayyangar:** I am not moving any amendment but I would like to speak on the clause itself.

**Mr. Speaker:** All right.

**Shri M. Ananthasayanam Ayyangar:** A similar restriction already exists in clause 13 sub-clause (1), namely:

"The Central Government may, from time to time, prescribe the limits as to amounts within which loans may be advanced by the Administration."

My amendment referred to the terms and conditions under which the loan may be granted. There is no doubt that necessary provision is also made in Clause 24. Section 2(c) of this clause relates to "the terms on which the corporation may grant loans". Naturally they would insist that these loans be utilised for business or industry and that they would see that it is so utilised. But whereas the administration can directly give loans to the extent of 7 crores, three crores are given away as guarantee or discounting. I wanted that by rules or instructions even those guarantees or discounts should have been given to persons for business or industry. I do not want to restrict the class. That is why I did not move my amendment. I hope the Honourable Minister will take that into consideration.

**The Honourable Shri R. K. Shanmukham Chetty:** I will carry it out by suitable instructions.

*[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen).]*

**Shri K. Santhanam:** I have just a point to make. Sub-clause (5) of clause 13 says:

"The assets created from the loan shall notwithstanding any law or usage to the contrary, be deemed to be mortgaged to the Administration for the payment of the loan together with the interest thereon and the amount of the loan and the interest thereon shall be first charge on such assets."

Ordinarily it would be difficult to distinguish the assets created from the loan from other assets. Therefore this clause may be inoperative in many cases and the Administration will have to be careful as to how it is operated. I had given amendments to say that the loan shall be a general charge on all 4 P.M. the assets of the borrower while the assets created by the loan shall be the first charge. I was told that the "assets of the borrower" may be too wide and therefore it may cause difficulties but in any case ordinarily there should be a first charge on all the assets wherever possible. It is only in exceptional cases where there is a prior charge on the assets concerned in the industry or business the loan should be given with a great deal of care and with further collateral security.

**Prof Shibban Lal Saksena:** I have tabled an amendment but as I pointed out, in sub-clause (2) the loan is to be given only on the recommendations of the district officer, or a State Government, or any bank, etc. I wish the wishes of the refugees in those districts were also consulted. I have often seen influential persons getting their jobs done through the district magistrates but poor people do not have access to them. If there are associations in every

[Prof. Shibban Lal Saxena]

district and almost in all districts they have formed associations, it would be proper to recognise them and get their opinions also in this respect. That would help in the solution of this problem. I hope in the Advisory Committee there would be a number of persons who will represent the associations of refugees in the province and in that way also they will be able to get what they want. I do want that all these loans should be granted to industries in such a way that it may help in filling the picture of the development of the country which we have in mind. Therefore I hope the Honourable Finance Minister will issue instructions either through rules or in some other way to secure this purpose.

**Dr. B. Pattabhi Sitaramayya:** Sir, I wish to say a word in regard to sub-clause (3) of this clause which refers to interest. Of course it says that the Administration shall charge an interest not exceeding 6 per cent. But generally the law of indebtedness produces the experience that what is maximum is the minimum and it does not do much credit to the Government to put over a limit of 6 per cent., when in its own acts such as the Industrial Corporation Act it has forbidden the distribution of dividends at a higher rate than 3 to 5 per cent. We must gradually accustom the people to the idea that the percentage of interest must be brought down steadily. The Co-operative movement began with 9 per cent. it brought it down to 6 per cent. and now it has brought it down to 5 per cent. If that is the rule that Government prescribes in regard to others taking dividends, when it takes interest it is taking power to be greedy or capitalistic and is trying to put a higher limit for itself. If the Finance Minister agrees not with my reasoning but with my conclusion then he may at some suitable stage reduce the interest from 6 to 5 per cent.

**Shri T. T. Krishnamachari:** Clause 11, sub-clause (3) will show that the Government is taking only 3 per cent. The difference between 3 and 6 per cent. is intended to cover the cost of administration and possible losses.

**The Honourable Shri R. K. Shanmukham Chetty:** As my Honourable friend pointed out the Government is charging only 3 per cent. for the money advanced but the Administration should run and somebody must pay for the running of the Administration. It is not our intention that beyond getting just the 3 per cent. on the capital that we supply the Corporation with the Government should make any profit out of it. I want that this Administration should be a self-supporting administration. Therefore we will tell the Administration that in charging interest to its clients it should just keep in view the idea of making the Administration self-supporting. If that body can run at 4 or 4½ per cent. we certainly would have no objection but I thought that a maximum limit of 6 per cent. with a margin of 3 per cent. should be allowed, so that the Administration might adjust its lending rights suitably to circumstances.

With regard to the suggestions made by my Honourable friend Mr. Shibban Lal Saxena, I would point out to him that associations of refugees would be included in the term "appropriate agency" and I shall certainly issue instructions to the Administrator that he should wherever such associations exist co-operate with them and take their views also.

**Prof. N. G. Ranga:** Sir, Dr. Pattabhi Sitaramayya has had considerable experience in the administration of co-operative societies. He knows that the administrative expenses are not supposed to be more than 1 per cent. at each stage when moneys are lent by the Imperial Bank to the Provincial Co-operative Bank and the Co-operative bank charges only one per cent. for its administrative expenses and these banks do not lend at a loss at all. On the other hand they show some profits and distribute dividends. When they lend money to the district societies they charge again only one per cent. and no more. (Interruption). That only shows that where you have got three intermediary organisations the maximum rate of interest that is added on to it comes to 3

per cent. more. Here you do not expect to have so many intermediaries. You are now creating only one organisation. To that organisation Government is lending money. Government charges 3 per cent. I do not see any reason why this organisation is expected to charge as much as 6 per cent. My Honourable friend Dr. Pattabhi Sitaramayya's suggestion that it should be reduced to 5 per cent., is extremely reasonable and I hope the Honourable the Finance Minister will be able to agree to it.

**Mr. Naziruddin Ahmad:** With regard to Co-operative Banks they have enormous resources. They take money on current account at a very small rate of interest, and therefore they can live on a small margin. Then again Co-operative Banks are established for a long time and have experience. With regard to this clause 6 per cent. is only the maximum. If the Honourable the Finance Minister keeps the rate of interest in his mind to make it consistent with as little profit as possible, then in keeping the maximum rate there will be no harm.

**Shri Rohini Kumar Chaudhuri:** We all support 5 per cent.

**Shri M. Ananthasayanam Ayyangar:** Merely because there is a margin of 3 per cent. there is an inducement to have a heavy establishment. Therefore the Minister may have the maximum here as 6 per cent. but by rules he shall direct that not more than 5 per cent. may be collected and he should see to it that the administrative charges are covered by the extra 2 per cent. that is charged over and above the 3 per cent. In no case.....

**The Honourable Shri R. K. Shanmukham Chetty:** What about some margin for a loss?

**Shri M. Ananthasayanam Ayyangar:** We have already provided for losses. The losses are not expected to be recouped from the Administration itself.

**Shri T. T. Krishnamachari:** Certainly.

**Shri M. Ananthasayanam Ayyangar:** Two crores of losses we are prepared to guarantee. That is what is said.....

**Shri T. T. Krishnamachari:** No, no.

**Shri M. Ananthasayanam Ayyangar:** It only reminds me of the story of a person who wanted to perform *pooja* to the God Vigneswara. He made the idol in *gur* and finding nothing else for *Nivedan* he pinched a portion of Vigneswara's buttocks and made it his offering to the God. These ten crores are offered to those people. Why should they go and borrow from the Administration? It is because they have no assets on the strength of which any bank would normally give them loans. In Bombay 2 and 3 per cent. loans are raised. If you go more and more into the interior the rates go on increasing. If at the headquarters he has sufficient security it reduces the rates of interest. The man who has the assets gets the loan at a lower rate of interest. The rate is higher, if there is a risk involved and there is no property which he can pledge with respect to the loan. Under these circumstances we ought not to take advantage of his inconvenience or exploit his difficulty. When we are trying to make it appear that we are helping the poor people we should not make it impossible for them to earn a decent living. There is no amendment on the table, but I hope the Honourable Minister will see that the Administration shall not charge more than 5 per cent. or 2 per cent. over and above the three per cent.

**Shri K. Santhanam:** Sir, in this connection one point deserves to be remembered. If the Government today lends a crore of rupees to the Administration the Administration cannot immediately lend it to the borrowers. The money will have to be simply lying without earning interest for some time.

**Shri M. Ananthasayanam Ayyangar:** Money would be taken on the strength of the applications.

**Shri K. Santhanam:** Government will have to arrange its borrowing programme. If money is put in current account it will fetch no interest. It is

[Shri K. Santhanam]

wrong idea that because we provide for some contingency which may occur, the Administration should have to incur losses on all transactions of guarantee. It should be a self-supporting organisation. Otherwise there cannot be sufficient relief to the refugees. It is only there to the extent that it helps them to build sound businesses. I think a maximum of 6 per cent. is not very heavy under the present circumstances. I do not suggest that the maximum should be levied, but it is intended for certain cases. It depends upon the nature of the particular industry or business. For some industries it may lend at 3 per cent., for others at 4 per cent., for certain others at 5 per cent. There should not be a uniform rate of interest. It must depend upon the credit, the risk and the nature of the industry or business.

**Dr. B. Pattabhi Sitaramayya:** In other words the rate of interest rises inversely according to the square of the security.

**Shri K. Santhanam:** I do not know whether it is square or cube, but it should be in some inverse proportion. I think there is no reason why we should object to this.

**Shri T. A. Ramalingam Chettiar (Madras: General):** Sir, having had some experience of this I may say a few words. I think 2 per cent. will be quite sufficient to meet the administration charges and to provide for bad debt, for a small reserve and things like that. But unfortunately the Reserve Bank has taken the view that there should be 3 per cent. difference between the borrowing and lending rate.

**Shri M. Ananthasayanam Ayyangar:** It is a capitalistic bank.

**Shri T. A. Ramalingam Chettiar:** That is why we have a lot of trouble in the co-operative movement with reference to the fixing of rates of interest. The Reserve Bank said there must be a margin of 3 per cent. between the borrowing and lending rate. I presume the Honourable the Finance Minister has taken the advice of the Reserve Bank and has put in this 6 per cent. on their advice. But in the actual working, as I said, our experience is that 2 per cent. will be quite ample. I see from the provision in the Bill that 6 per cent. is only the maximum. So, in view of all this discussion, if the Honourable the Finance Minister will fix the rate of interest at 5 per cent. I think the interests of the Bank will be safeguarded and the people who are intended to be benefited will also get the benefit.

**Shri Ramnarayan Singh (Bihar: General):** Sir, I think the guiding principle of this measure is generosity. I think the suggestion given by Dr. Pattabhi is quite moderate and may be accepted. It appears to be the consensus of opinion in the House. I think the Honourable Minister should be generous enough to accept this.

**The Honourable Shri R. K. Shanmukham Chetty:** I shall certainly instruct the Administration to keep prominently in mind the expressions of opinion made here this afternoon.

**Mr. Chairman:** The question is:

"That clause 13 stand part of the Bill."

The motion was adopted.

Clause 13 was added to the Bill.

**Shri C. Subramaniam:** Sir, I move:

"That in part (a) of clause 14 of the Bill, for the words 'for the loan', the following be substituted:

"for obtaining the loan or while furnishing any information under section 17."

The clause as it stands, does not mean anything. It says "if it appears to the Administration that false or misleading information in any material particular

was given by the borrower for the loan". I want to have it amended into "for obtaining the loan". Then you will find that under clause 17 the Chief Administrator may call upon any borrower to furnish certain information. If he furnishes false information that also should give a ground for the Administration to call upon the borrower to pay the entire amount. So I have added the words that where such false information is furnished under section 17 that should also enable the Administration to call for repayment of the entire loan. Sir, I move:

"That in part (a) of clause 14 of the Bill, for the words 'for the loan', the following be substituted:

'for obtaining the loan or while furnishing any information under section 17'."

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Chairman:** The question is:

"That in part (a) of clause 14 of the Bill, for the words 'for the loan', the following be substituted:

'for obtaining the loan or while furnishing any information under section 17'."

The motion was adopted.

**Shri Basanta Kumar Das** (West Bengal: General): Sir, I move:

"That in part (a) of clause 14 of the Bill, after the word 'given', the following be inserted:

'or any material information was suppressed'."

Sir, I want to make the clause explicit so that there may not be flaw in the clause. Therefore I move that these words be inserted.

**Mr. Chairman:** Amendment moved:

"That in part (a) of clause 14 of the Bill, after the word 'given', the following be inserted:

'or any material information was suppressed'."

**The Honourable Shri R. K. Shanmukham Chetty:** It is not necessary to have this amendment.

**Shri Basanta Kumar Das:** Then I do not press the amendment.

**Mr. Chairman:** Does the House give leave to the Honourable Member to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That in part (a) of clause 14 of the Bill, the word 'or', be added at the end."

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Chairman:** The question is:

"That in part (a) of clause 14 of the Bill, the word 'or', be added at the end."

The motion was adopted.

**Mr. Naziruddin Ahmad:** I beg to move:

"That in part (b) of clause 14 of the Bill, the word 'or', be added at the end."

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Chairman:** The question is:

"That in part (b) of clause 14 of the Bill, the word 'or', be added at the end."

The motion was adopted.

**Shri M. Ananthasayanam Ayyangar:** Sir, I had tabled two amendments which I did not press. If only the Honourable Minister takes the matter into consideration and gives necessary directions I shall be satisfied. The point is that under clause 14 the power to call for repayment before the agreed period is conferred under certain circumstances in cases of loans directly lent by the Administration. In the case of a loan which it guarantees, if it has reason to suspect that the loan was obtained under circumstances which, if granted



[Shri M. Ananthasayanam Ayyangar]  
directly by the Administration, it would be entitled to call for repayment, it must also be entitled to call upon the bank to call for repayment from the borrower—for we have undertaken to guarantee the loss. This can be done by directions to the Administration.

Then there is one other amendment which I have not moved. It is with this object. Amongst the reasons for which or the occasions on which the entire amount may be called for from the borrower I wanted to add one reason, namely, if he did not utilise it for business or industry. I did not like to press its inclusion here. The main object of the Administration is to help business or industry. I want that a watch should be kept to see that the borrower does not use the loan for other purposes. The loan is not intended to be given to encourage all and sundry but for the purpose of business and industry. If this is not ensured the object would be frustrated. This point may be kept in mind by the Administration.

**The Honourable Shri R. K. Shanmukham Chetty:** Yes, these will be taken note of.

**Mr. Chairman:** The question is:

"That clause 14, as amended, stand part of the Bill."

The motion was adopted.

Clause 14, as amended, was added to the Bill.

**Shri K. Santhanam:** Sir, I move:

"That in clause 15 of the Bill, after the words 'which is due', the words 'or has been required to be repaid under section 14' be inserted."

Sir, This is only to make it clear that the Administration may take this action not only when the loan is due and has not been repaid, but also when it has been recalled under the conditions prescribed in clause 14. It has been pointed out to me that this amendment may not quite fit in with the terms "has not been repaid in accordance with the terms of the contract". I think however "contract" in this connection will also include clause 14 automatically by implication or by express provision, and therefore I do not think there is any inconsistency, and I move the amendment.

**Shri C. Subramaniam:** After the amendment, the clause reads thus:

"If the amount of loan or any instalment thereof or interest thereon which is due, has been required to be repaid under section 14, has not been repaid in accordance with the terms of the contract."

That is how it reads: If you turn to clause 14, you will find it reads:

"Notwithstanding any agreement to the contrary, the Administration may, by notice, require etc.."

Therefore if you put both, that is "which is due, or has been required to be repaid under section 14" before the clause "has not been repaid in accordance with the terms of the contract", that would mean that only if the terms of the contract are violated will this clause come into operation. On the other hand, under clause 14, apart from the terms of the contract, you can call for the amount. So what I submit is that the amount will become due under two circumstances: (1) In the ordinary course when the time expires; and (2) when the Administration calls for repayment under section 14. Therefore it is not necessary to say "or has been required to be repaid under section 14", because under both the circumstances, by lapse of time as well as by being called upon to pay, the loan becomes due. So the appropriate thing would be to amend it to read.

"Or any instalment thereof or interest thereon which is due, has not been repaid in accordance with the terms of the contract, or under the provisions of section 14."

So it should come that way—repaying either in accordance with the terms of the contract or in accordance with the provisions of section 14; that would be the

correct thing. In those terms I have tabled my amendment and if my Honourable friend agrees, I shall move my amendment.

**The Honourable Shri R. K. Shanmukham Chetty:** I think Mr. Subramaniam's amendment is probably slightly better worded. So I would suggest to my Honourable friend to withdraw his amendment. I would accept Mr. Subramaniam's amendment—No. 12 in List No. III.

Mr. Subramaniam's amendment—No. 12 in List No. III.

**Shri K. Santhanam:** I wish to withdraw my amendment.

**Mr. Chairman:** Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

**Shri C. Subramaniam:** Sir, I move:

"That in sub-clause (1) of clause 15 of the Bill, after the word 'contract' the words 'or under the provisions of section 14' be inserted."

**Shri M. Ananthasayanam Ayyangar:** May I make a suggestion. I believe the suggestion of my friend Mr. Subramaniam is that Mr. Santhanam's amendment ought not to come in immediately after "which is due" because the latter portion "has not been repaid in accordance with the terms of the contract" militates against the express provision of clause 14. Whatever has to be added must come after the word "the contract", but I would like that Mr. Santhanam's expression there may be incorporated instead of Mr. Subramaniam's, "or under the terms of clause 14". Mr. Santhanam's amendment will fit in like this "If the amount of loan or any instalment thereof or interest thereon which is due in accordance with the contract or has been required to be repaid under section 14 and has not been repaid". Mr. Subramaniam says "which is due" covers both cases. I have got a doubt about this. "Which is due" is in the normal course under the terms of the contract, and not which has been called for under the provisions of section 14. Therefore it does not cover this. I would urge that instead of this amendment, after the word "contract" the words in the amendment of Mr. Santhanam may be incorporated,—"or has been required to be repaid under section 14 and has not been so repaid". There is no harm in making it explicit

**Shri K. Santhanam:** I may make a suggestion. Mr. Subramaniam's amendment may read as follows:

"If the amount of loan or any instalment thereof or interest thereon which is due in accordance with the terms of the contract or under the provisions of section 14, has not been repaid, the Administration may."

Then it will be all right.

**Mr. Chairman:** Does Mr. Subramaniam agree to accept the amendment proposed by Mr. Santhanam?

**Shri C. Subramaniam:** Yes, the amendment will be like this, Sir, I move:

"That in clause 15 of the Bill, for the words 'has not been repaid in accordance with the terms of the contract', the following be substituted:

"in accordance with the terms of the contract or under the provisions of section 14, has not been repaid'."

**Mr. Chairman:** I will put the amendment as accepted by the Honourable Member to the House.

The question is:

"That in clause 15 of the Bill, for the words 'has not been repaid in accordance with the terms of the contract', the following be substituted:

"in accordance with the terms of the contract or under the provisions of section 14, has not been repaid'."

The motion was adopted.

**Shri Basanta Kumar Das:** Sir, I beg to move:

"That in part (b) of clause 15 of the Bill, for the words 'the person to whom the loan has been advanced', the words 'the borrower' be substituted."

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Chairman:** The question is:

"That in part (b) of clause 15 of the Bill, for the words 'the person to whom the loan has been advanced', the words 'the borrower' be substituted."

The motion was adopted.

**Mr. Chairman:** The question is:

"That clause 15, as amended, stand part of the Bill."

The motion was adopted.

Clause 15, as amended, was added to the Bill.

**Shri M. Ananthasayanam Ayyangar:** Sir, I beg to move:

"That after clause 15 of the Bill, the following new clause be inserted:

'15A. Where the Administration acquires asset in satisfaction of its claims under loan or guarantee, it shall dispose of the same, as early as practicable and in any case not later than a period of three years from the date of such acquisition'."

Similar provision exists in all the other statutes and therefore it is necessary. If there is no need, of course we will not issue this instruction.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I will issue instructions about this matter.

**Shri M. Ananthasayanam Ayyangar:** Sir, then it may be treated that I have not moved the motion.

**Dr. B. Pattabhi Sitaramayya:** I was only going to ask whether it is obligatory on the part of the Administration to dispose of a good asset; it might try to keep it. Why do you compel it? For instance, the price may very much appreciate; and I know instances where banks have got an institution for Rs. 5,000 and it has gone for Rs. 25,000.....

**Shri M. Ananthasayanam Ayyangar:** This is a temporary Administration, not intended to be permanent.

**Dr. B. Pattabhi Sitaramayya:**.....thereby it might make up for a loss sustained elsewhere. It might be left to the discretion of the Administration.

**The Honourable Shri R. K. Shanmukham Chetty:** My Honourable friend Dr. Pattabhi would agree that it is very undesirable to lock up its funds in any of the assets. Naturally the instructions that will be issued to the Administration will be that assets acquired in the course of business should be disposed of as soon as possible, but if in the opinion of the Administration it is found that to retain the assets for some time more will result in profits, then certainly they will be given, the discretion to have it but ultimately they will have to dispose of it.

**Dr. B. Pattabhi Sitaramayya:** What about the word "shall"?

**The Honourable Shri R. K. Shanmukham Chetty:** Therefore I said I will give instructions.

**Mr. Chairman:** We shall now take up clause 16.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That in sub-clause (4) of clause 16 of the Bill, for the word 'fair', the word 'true', be substituted."

Sir, in my amendment which I had tabled I had proposed to substitute the word "accurate" for the word "fair" but with your permission I would now substitute the word "true" for the word "fair". The text speaks of the balance sheet as a "full and fair" balance sheet. I would like to make it a "full and true" balance sheet. With regard to the word "fair" it has got several meanings; when applied to a lady it indicates fair complexion; with regard to character it does not show a good character--in schools the Headmasters give certificates

that a boy has "good" character, or a "bad" character; a "fair" character is never good character; that is a most grudging certificate. So also it cannot apply to a balance-sheet. I think the true position would be that the balance-sheet should be full and "true", not full and "fair".

**Dr. B. Pattabhi Sitaramayya:** It is written in the feminine sense, I believe.

**Mr. Naziruddin Ahmad:** If it is written in that sense, I think it would be quite accurate but in matters of accounting the correct expression is full and "true"; fairness is not the sense in which it is really applicable.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I agree with the amendment.

**Mr. Chairman:** The question is:

"That in sub-clause (4) of clause 16 of the Bill, for the word 'fair', the word 'true' be substituted."

The motion was adopted.

**Mr. Chairman:** The question is:

"That clause 16, as amended, stand part of the Bill."

The motion was adopted.

Clause 16, as amended, was added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That in sub-clause (4) of clause 17 of the Bill, for the words, figures and brackets 'sub-sections (1) and (3)', the words, figures and brackets 'sub-section (1) or sub-section (3)', be substituted."

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendment.

**Mr. Chairman:** The question is:

"That in sub-clause (4) of clause 17 of the Bill, for the words, figures and brackets 'sub-sections (1) and (3)', the words, figures and brackets 'sub-section (1) or sub-section (3)', be substituted."

The motion was adopted.

**Mr. Chairman:** The question is:

"That clause 17, as amended, stand part of the Bill."

The motion was adopted.

Clause 17, as amended, was added to the Bill.

Clause 18 was added to the Bill.

**Mr. Naziruddin Ahmad:** I beg to move:

"That in clause 19 of the Bill, the words 'from time to time' be omitted."

Sir, the clause gives power to the Central Government to do certain administrative acts. I submit that under section 14 of the General Clauses Act, especially in this context, the words are unnecessary. My Honourable friend suggested that there is no harm in having it. That principle should be applicable when a guest is invited to dinner; of course there is no harm in eating and giving more to eat. But in matters of legislative drafting that sort of principle should not be accepted. I believe that when words are not necessary they are not to be incorporated. The General Clauses Act is enacted simply to prevent unnecessary repetition and it would not be proper to flout the principles of the General Clauses Act; when things are clearly implied it is not necessary to emphasise them.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, my own idea of the General Clauses Act is that it is a general statute to provide for contingencies where provision has not specifically been made in certain cases, and every Act as far as possible should be self-contained and full. That is my own reading of the purport of the General Clauses Act, though I am not a lawyer. Therefore I think people who are asked to buy this Act should not also be put to the necessity of buying a copy of that Act. So I should rather keep this phrase.

**Mr. Naziruddin Ahmad:** I should then suggest that the General Clauses Act be scrapped. That would be the easiest thing.

**The Honourable Shri R. K. Shanmukham Chetty:** No.

**Mr. Chairman:** Does the Honourable Member press his amendment?

**Mr. Naziruddin Ahmad:** No.

**Mr. Chairman:** Then he may proceed with his next amendment.

**Mr. Naziruddin Ahmad:** Yes, Sir. I beg to move:

"That in clause 19 of the Bill, the words 'in the exercise of its functions under this Act' be omitted."

I fail to see what purpose would really be served by the use of the words "in exercise of its functions under this Act." In fact, it is always in the exercise of its functions under this Act that acts here are to be done. This condition is never laid down anywhere else. These words are unnecessary and they should be removed. That would not disturb the sense in the least.

**The Honourable Shri R. K. Shanmukham Chetty:** I think it is all right as it is.

**Mr. Naziruddin Ahmad:** Then, I do not press.

**Mr. Chairman:** The question is:

"That clause 19, stand part of the Bill."

The motion was adopted.

Clause 19 was added to the Bill.

Clause 20 was added to the Bill.

**Shri C. Subramaniam:** Sir, I have three amendments on this clause and I shall move them all together. I move:

"That in sub-clause (2) of clause 21 of the Bill, for the words 'undistributed assets', the words 'assets of the Administration', be substituted and the following be added at the end of the sub-clause:

'and the Central Government shall thereupon have all the powers of the Administration in recovering the loans remaining unpaid'."

Sir, yesterday there was a discussion regarding the words "undistributed assets". I think this expression has been used with some purpose to distinguish certain other assets, i.e., distributed assets. Now, what would be the distributed assets in the case of this Corporation? I fail to see what could that be. It was suggested, "Suppose some creditors were paid by the Administrations—that would be distributed asset." Certainly, when you pay a creditor or when you meet a liability, you do not say you are distributing the assets. That is only paying the creditor or meeting the liability out of the assets. That won't be a distribution of asset. So when you use the expression "undistributed assets" the only meaning which suggest itself is that the distribution of assets by way of loans to refugees, would mean "distributed assets" and the cash assets which have not been so distributed would mean the "undistributed assets". My Honourable friend Mr. Ananthasayanam Ayyangar suggested that this is the expression used in the Indian Companies Act. As a matter of fact, if you look into the Indian Companies Act,—the relevant Section is Section 244(b),—you will find that the analogy is wrong. The use of the words "undistributed assets" there is to this end, namely, when a liquidation takes place, monies are payable to the shareholders. Certain shareholders may not claim it and may not have been paid. Then the liquidator has to deposit this "undistributed asset" into a certain Bank in the liquidation account. So even if you take the meaning of the words in the Indian Companies Act, the use of this expression here does not make any meaning. There is absolutely no necessity to use it in respect of this Corporation. There are no distributed or undistributed assets here. All the assets are for the purpose of granting loans. That is why I have moved

for the omission of the word "undistributed". To make it clear I have added the words "of the Administration", i.e., "assets of the Administration".

Then, Sir, I have moved for the addition of a new clause, namely, "and the Central Government shall thereupon have all the powers of the Administration in recovering the loans remaining unpaid". In regard to this also, it was suggested yesterday "After all the Government is the legal successor and therefore all the rights will vest in the Government." But then, Sir, I would invite the attention of the House to Section 15, wherein a special mode of recovery is provided for. That special power is given to the Administration and unless it is passed on to the Central Government also, that mode of recovery cannot be resorted to by the Central Government simply because the rights vest in the Central Government by virtue of this Section. Therefore, I want this new clause to be added at the end. I hope it will be accepted.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I accept the amendments.

**Mr. Chairman:** The question is:

"That in sub-clause (2) of clause 21 of the Bill, for the words 'undistributed assets', the words 'assets of the Administration', be substituted and the following be added at the end of the sub-clause:

'and the Central Government shall thereupon have all the powers of the Administration in recovering the loans remaining unpaid'."

The motion was adopted.

**Mr. Chairman:** The question is:

"That clause 21, as amended, stand part of the Bill."

The motion was adopted.

Clause 21, as amended, was added to the Bill.

Clause 22 was added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I move:

"That in clause 23 of the Bill, after the word 'rules', the words 'not inconsistent with this Act' be inserted."

Sir it is provided in clause 23 that the Central Government may make rules for the purpose of giving effect to the provisions of this Act. I want to make it clear that those rules shall not be inconsistent with the provisions of this Act. The condition is invariably inserted in all Acts. There has never been a single exception. Although I believe that the rules which will be made will not be inconsistent with the provisions of this Act; that is another matter. As a matter of legislative formality this condition is always inserted. Not that I fear any mischief would be done, especially under the Honourable Minister, but it is the natural form in which such power is conferred. Sometimes rules go wider than the Sections unconsciously. Such unconscious trespass or going beyond the purview of the Act is sometimes inevitable.

**Mr. Chairman:** Amendment moved:

"That in clause 23 of the Bill, after the word 'rules', the words 'not inconsistent with this Act' be inserted."

**The Honourable Shri R. K. Shanmukham Chetty:** But the Honourable Member's amendment is inconsistent with the general dictum that unnecessary words should not be used. I do not think that these words are necessary.

**Mr. Naziruddin Ahmad:** Legislatively they are important and also necessary.

**Mr. Chairman:** Does the Honourable Member want me to put his amendment to the vote of the House?

**Mr. Naziruddin Ahmad:** Yes, Sir.

**Mr. Chairman:** The question is:

"That in clause 23 of the Bill, after the word 'rules', the words 'not inconsistent with this Act' be inserted."

The motion was negatived.

**Mr. Chairman:** The question is:

"That clause 23, stand part of the Bill."

The motion was adopted.

Clause 23 was added to the Bill.

**Shri K. Santhanam:** Sir, I beg to move:

"That in sub-clause (1) of clause 24 of the Bill, after the word 'Act', occurring in line three, the words 'or the rules made thereunder' be inserted."

Sir, this is necessary as the regulations have to be consistent with rules.

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Chairman:** The question is:

"That in sub-clause (1) of clause 24 of the Bill, after the word 'Act' occurring in line three, the words 'or the rules made thereunder' be inserted."

The motion was adopted.

**Shri M. Ananthasayanam Ayyangar:** Sir, I beg to move:

"That in part (b) of sub-clause (2) of clause 24 of the Bill, after the words 'Advisory Board', the words 'or Regional Committee' be inserted."

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Chairman:** The question is:

"That in part (b) of sub-clause (2) of clause 24 of the Bill, after the words 'Advisory Board', the words 'or Regional Committee' be inserted."

The motion was adopted.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That in part (c) of sub-clause (2) of clause 24 of the Bill for the word 'corporation', the word 'Administration' be substituted."

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Chairman:** The question is:

"That in part (c) of sub-clause (2) of clause 24 of the Bill for the word 'corporation', the word 'Administration' be substituted."

The motion was adopted.

**Shri K. Santhanam:** Sir, I beg to move:

"That after part (g) of sub-clause (2) of clause 24 of the Bill, the following new part (h) be inserted and the existing part (h), be re-lettered as part (i):

'(h) the manner in which and the conditions under which the business or industry of a person to whom a loan has been advanced may be taken charge of and administered under section 15'."

Sir, originally the Bill did not contemplate taking over of a concern. The Select Committee put in this clause 15 and provided for taking charge, but they did not put a special provision in the rules. Of course, under the general provision the institution will have power to make rules but as this is a very important matter, it is better that the attention of the rule-making authority is drawn to this particular matter.

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Mr. Chairman:** The question is:

"That after part (g) of sub-clause (2) of clause 24 of the Bill, the following new part (h) be inserted and the existing part (h), be re-lettered as part (i):

'(h) the manner in which and the conditions under which the business or industry of a person to whom a loan has been advanced may be taken charge of and administered under section 15'."

The motion was adopted.

**Mr. Chairman:** The question is:

"That clause 24, as amended, stand part of the Bill."

The motion was adopted.

Clause 24, as amended, was added to the Bill.

**Mr. Chairman:** The question is:

"That clause 1, stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I beg to move:

"That in the Preamble to the Bill, for the words 'business and industry', the words 'business or industry' be substituted."

**Mr. Chairman:** The question is:

"That the Preamble as amended, stand part of the Bill."

"That in the Preamble to the Bill, for the words 'business and industry', the words 'business or industry' be substituted."

The motion was adopted.

**Mr. Chairman:** The question is:

"That the Preamble, as amended, stand part of the Bill."

The motion was adopted.

The Preamble, as amended, was added to the Bill.

**Mr. Naziruddin Ahmad:** Sir, I beg to move:

"That in the long title of the Bill, for the word 'the', the word 'a' be substituted."

The long title is to the effect that it is a Bill to establish 'the' Rehabilitation Finance Administration. I should make it establish 'a' Rehabilitation Finance Administration. We use the word 'the' pointedly to draw attention to something in existence. The Rehabilitation Finance Administration is in the making and so we want to establish a Rehabilitation Finance Administration and when it becomes full-fledged we can call it "The Rehabilitation Finance Administration."

**Mr. Chairman:** Amendment moved:

"That in the long title of the Bill, for the word 'the', the word 'a' be substituted."

**The Honourable Shri R. K. Shanmukham Chetty:** I accept the amendment.

**Dr. B. Pattabhi Sitaramayya:** I wanted to know whether we should call the Indian Penal Code and the Civil Procedure Code, A Indian Penal Code and A Civil Procedure Code.

**The Honourable Shri R. K. Shanmukham Chetty:** I am told that my acceptance is invalid.

**Mr. Chairman:** I think the word "the" is more appropriate.

**The Honourable Shri R. K. Shanmukham Chetty:** After hearing Dr. Pattabhi, I prefer the word "the".

**Mr. Chairman:** The question is:

"That in the long title of the Bill, for the word 'the', the word 'a', be substituted."

The motion was negatived.

**Mr. Chairman:** The question is:

"That the long title, stand part of the Bill."

The motion was adopted.

The long title was added to the Bill.

**The Honourable Shri R. K. Shanmukham Chetty:** Sir, I move:

"That the Bill, as amended, be passed."

**Mr. Chairman:** Motion moved:

"That the Bill as amended be passed."



**Haji Abdus Sattar Haji Ishaq Seth:** Mr. Chairman, Sir, I know that members are impatient to go and I am not going to keep them long. I have great pleasure in supporting this motion of my Honourable friend and I wish all success to this Administration that is being set up and I hope it will do all that we are expecting out of it. In supporting this motion, Sir, I cannot but express the great pain that I felt on the sudden change that the debate had taken earlier. The pain was all the greater, when I found that it is all due to the twist given to the debate by my Honourable friend Mr. Ananthasayanam Ayyangar. Mr. Ayyangar knows that I have very great regard for him and our personal relations have been very very cordial. And it has been very painful for me that a man of such eminence, and a gentleman of such a big heart—as I have always found him—should have read into one of the amendments something which was never meant. It becomes very difficult for members of this House, particularly for members of my way of thinking, that we cannot get up in this House, in this sovereign legislature of this independent country, and ask for something that we want without some meaning being read into it. After all what was under discussion was that the scope of the Bill should be enlarged so that certain other unfortunate people should be included. No one said that it was a question between Hindus and Muslims. The Honourable the Finance Minister—he it said to his credit—never thought that this has anything to do with the communal question; he understood the point very well and he replied in those terms. This is not the first time that this point is being discussed here. When the Bill was first introduced and was going to the Select Committee this matter came up; and the very fact that of the three amendments of the same nature two were by Hindus, shows that there was nothing communal about it. I do not know why I cannot get up in this sovereign legislature for something that I want without being insulted, without being called names and without being offered a First Class ticket to Pakistan. I felt very bad about it and I start appeal to the House to have some regard for the minorities. After all we have been sitting in this House for the last six months and the House has noticed what our demeanour has been. We can certainly raise any number of troublesome questions in this House. Even today on the speeches made by Honourable Members I can raise any number of matters here, which will create a great deal of soreness; but, as I said, we have been avoiding soreness all along. And today for a member to get up after six months and try our patience in this House and in the country by saying that there is no change in us at all does not make things easy. My Honourable friend speaks very fast and thinks very fast, with the result that he leaves his sentences unfinished and his thoughts unfinished. He mentioned so many things; he mentioned, for instance, what happened in the party meeting day before yesterday, and what he wanted to say is not clear. He appears not to have read newspapers. He does not know what the controversy was. He gets up with the responsibility that he has and tries to give a lead to all these hundreds of newspapers which are waiting for trouble by saying that some trouble has started here and that the Muslims have not changed at all and that even after six months in spite of all the concessions made the Muslim is still the same, and so on. Does the House realise that in this House we are occupying a very difficult position? Not one word have we said in this House in the last six months in support or in defence of any Muslims in this Country or in Pakistan. The question hour has been a very trying time for us. We know the difficulties of this country; we know the difficulties under which we ourselves are labouring. And over and above all that we want this country to succeed; we want to give this Government the completest and fullest support and service. That has been the one guiding principle ever since we accepted this partition. And then an Honourable gentleman gets up and blames us for asking for partition. He forgets that this partition came to this country because of the agreement be-

tween two parties. If I am responsible for the partition my Honourable friend Mr. Ayyangar is equally responsible for it. It is after all the leaders who sat down and agreed to it; the country and the organisations agreed to it. What is the use of blaming us or blaming them? The best course is for both the countries to work together and make a success of it. But if every time I get up I am blamed for the partition and offered a First Class ticket, I can talk like that also. So my purpose is to appeal to this House and the country outside to forget all these things and see that we work for the strengthening of this new country which is faced with God knows how many dangers and difficulties. You should make it possible for me at least to co-operate and not to goad me into a position where I will have to retaliate. I know it is possible for me to make mischief, but who wants it? Sir, I am sorry I have spoken with some vehemence but I appeal to the House in all humility not to take opportunities of creating trouble. If there are attempts to create trouble the attitude of the House should be to pour oil on troubled waters, not to see that trouble is fished out where it does not exist.

Sir, I strongly support the motion that the Bill be passed.

**Mr. Naziruddin Ahmad:** Sir, I rise to support this motion. I wish to make my position absolutely clear that there is no allegation or even a suggestion that Government is against the Muslims. On the other hand I make a clear declaration here that Government have been doing everything in their power to support the Muslims and perhaps they have a soft corner for the Muslims as compared to the Hindus. Sometimes in a sovereign legislature words are said when people's nerves are somewhat highly strung which cause resentment. This happens in other legislatures when people speak from sincere convictions on the spur of the moment. In the House of Commons worse things have taken place; there have been free fights; here we have only used hot words. I only hope these things will not be repeated. What happened was probably more due to misunderstanding than to the actual use of any objectionable sentiments. I hope this will be forgotten as a nightmare and we will be happy as brothers.

Sir, I find a very welcome sign in the House that Honourable Members are taking more and more to the drafting of amendments, which to me at least is more agreeable than the discussions. I believe the drafting of Bills should be more carefully done and after that the Bills should be carefully revised. The fact that Government accept a large number of amendments of a more or less important nature shows the need for caution in this respect. And I find that the little efforts that I began here, which were not at first very acceptable in the beginning, are gradually being appreciated and more and more Honourable Members are tabling and moving amendments.

Sir, I support the motion that the Bill, as amended, be passed.

**Shri M. Ananthasayanam Ayyangar:** Sir, you will pardon me if I rise to offer a word of personal explanation. We have been all watching what happened. I never started an amendment of that kind nor did I take any exception to that amendment. I spoke like that because it was said that this was intended to help only one section of the community; it was also understood in the same sense by the Finance Minister. My Honourable friend Mr. Karimuddin said that it was not intended to insinuate that but all the same it carries that impression. Sir, it is easy for a scorpion to sting but the man who cries is a blackguard, and that is why I have been put in that position. Sir, I submit that really there must be a change of heart. My Honourable friend Mr. Ishaq Seth is a member with whom we have had intimate connections; we come from the same Presidency. Let alone the refugees and third class and fourth class persons who could not take care of themselves, magistrates and judges and men of importance in this country who happen to be Muslims have not been displaced. But what is happening there? Mr. Lalchand

[Shri M. Ananthasayanam Ayyangar]

Navalrai was a Member of this House; his son who was an Additional District Magistrate has had to run. My Honourable friend Dewan Chaman Lall is an old parliamentarian; his brother had to run away. None of them can be there. Tell me of any single Hindu of any importance and standing, whether in business or in employment who can live in Pakistan. I met today an employee of the Watch and Ward in this building; he told me he was a sub-inspector of police in Bahawalpur. Today he is employed here in the Watch and Ward. Therefore this country is sore. I say something about patience and next morning I get a letter telling me that I must not say this if I want to keep my head on my shoulders. My Honourable friend does not know with whom we are dealing. Today there is not one Hindu in West Punjab; they have all been displaced. If people have suffered in the country what is that compared to the sufferings of these people: What I said was that we must first of all attend to them.

**An Honourable Member:** Hindus in Delhi have been displaced.

**Shri M. Ananthasayanam Ayyangar:** They must have been fools to run away.

My Honourable friend wanted to show that his community does not get proper respect and reverence in this sovereign legislature. What is it that we have done? He holds a very important position here. We are terribly afraid of calling ourselves of Hindusthan; I want it to be called by an English name India. We are a secular State. But can I go to Lahore? (*An Honourable Member:* "Why not"? ) Yes, I can go but I can never return. Let us talk in terms of humanity. What is said was that it is not as if any revolution is created by the ordinary man who does not think. But rightly or wrongly this thing was started and these persons left their hearths and homes. They have fled from West Punjab. Raja Ghazanfar Ali Khan who is an important member of the Pakistan Government said that anyone can go to Pakistan; any non-Muslim refugee who left that country can return there but their houses or lands or business premises will not be restored. Will any Member of this Government speak like that? Here Muslim houses vacated are locked up, and the sub-inspector displaced from Bahawalpur told me that he is paying a Muslim Rs. 30 for a small cottage. In addition if you have no occupation you are fed at State expense. Tell me of any displaced person in Bihar . . .

**An Honourable Member:** How is all this relevant?

**Shri M. Ananthasayanam Ayyangar:** I am giving a personal explanation.

Take people in Bihar who have left that province and gone away elsewhere. Their lands are there and their houses are intact; tomorrow if they come back all these will be returned to them. Therefore it is very easy for them to settle down. And so the question of rehabilitation of a person who has been displaced from one area and gone to another area near about is not the same thing as the other case. There is no comparison between the two. Again and again a number of instances were given by my Honourable friend Pandit Maitra and we were practically weeping over the matter. The chapter that was closed in West Punjab is now starting in East Bengal. So my Honourable friends must change their attitude, every one of them. We want all of them to be here but not to say that they also can create mischief. I wish my Honourable friend Mr. Ishaq Seth had not said that; he is an experienced Member who was Chief Whip of the party and the right hand man of the Leader of his party. Let them search their own hearts and say whether they are not safe here whereas in other places our people are sitting on the top of a volcano. Here they are absolutely safe and I can assure them that no one will touch them. Do you think I could talk like this in Pakistan? My head would have been cut off. My appeal to my Honourable friends is that we should not create trouble in these matters. Let us live together happily as my Honourable

friend Shri Khurshed Lal said, let them go to places where they have influence and see that the refugee problem does not arise any more. Therefore let us part without rancour. We want the support of our friends on that side. The Government and the Congress are pledged to bring about a secular State, and let there be no trouble created by us.

Sir, I support the motion.

**Dr. B. Pattabhi Sitaramayya:** Sir, as an old member, at least in age, though not in standing I feel called upon to say a word, so that we may not leave this House with nasty taste on our tongues. I was hoping that with the complaint and the answer a calm atmosphere would be restored. No doubt an abrasion requires a little tincture iodine but when you rub the tincture a little too much, the abrasion may be made worse. I do wish that in this House we maintained as cordial relations as we are certainly maintaining outside. We need not take advantage of every occasion in order to bandy words or make repartees nor indulge in persiflage and banter. But in this House if we only take care to maintain an atmosphere not merely of friendliness but of cordiality, it will help us all ever so much and I would only assure our Muslim friends as they have assured the rest of us that in our debates there should not be rancour or repartee. Even if one friend indulges in it, the best remedy is not to repay him in the same coin but to ignore it, so that by indulgence shown to him he may feel that he is being sought to be reclaimed and chastened by a policy not of retaliation but of self-suffering. That should be the attitude that all of us must bear to one another. If we are indulging outside, if we are just and generous, we deserve no credit, because that is what is due from the major community to the minor community. But if the minority community is a little querulous, a little whining and whimpering, that also is only to be expected considering the feeling of utter helplessness which they entertain, because numerically they are weak. It is the same feeling that one community in the other section of India is entertaining in respect of the other community. The feeling of the minorities is a tremendously painful feeling. We know it in the linguistic minorities which are here and there in the border areas. They feel bitter towards one another. Small things become exaggerated. We must all learn to take a wider and more generous view of these matters and look upon all these bilingual and biracial areas in that spirit. If we do that we shall be able to leave a better atmosphere in this country as we advance from day to day. I thought it but right and that it would be fitting that we should part from this debate with friendly thoughts, once more strengthened in our determination that we shall keep up an atmosphere not merely of friendliness but of cordiality, fellowship and goodwill.

**Mr. Chairman:** The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

*The Assembly then adjourned till a Quarter to Eleven of the Clock on Wednesday, the 3rd March, 1948.*













